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(54) **Methods and systems for collateral matching and mark to market reconciliation**

(57) The present invention provides secure, high-volume, processing methods and systems for multiple financial instruments that combine collateral matching to identify matched and unmatched financial transactions and consolidated mark to market valuations for all parties to a matched financial transaction. Further, the methods and systems of the present invention: (1) provide real-time identification of matched and unmatched financial transactions; (2) provide real-time mark to market portfolio valuations; (3) provide standard formulae and user preferences to develop algorithms for real-time mark to market portfolio valuations; (4) accommodate additional financial instruments and additional users; (5) minimize manual review of discrepancies in margin valuations; (6) provide multilingual capabilities, settlement currencies, and other identifiers necessary to communicate the results of collateral matching and mark to market portfolio valuations; (7) facilitate lower financial transaction and processing costs; and (8) minimize the manual entry and re-keying of information into multiple formats and templates used parties to a financial transaction.

In other embodiments of the present invention, the methods and systems may be designed to: (1) utilize a user-friendly interactive user interface; (2) provide integration with external and internal systems; (3) provide detailed reports; (4) allow for real-time system modifications and system configuration; (5) allow for customized import/export files; and/or (6) utilize state-of-the-art communications technology.

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## Description

### PRIORITY APPLICATION

[0001] This application claims the benefit of US Provisional Application No. 60/146,569 filed July 30, 1999, entitled "System and Method for Mark to Market Reconciliation," and is incorporated herein by reference.

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### BACKGROUND OF THE INVENTION

#### 1. Field of the Invention

[0003] The present invention relates generally to the field of collateral matching and mark to market reconciliation that allows parties to a financial transaction to easily, efficiently, and reliably manage the margining process. More particularly, the present invention provides secure, high-volume processing methods and systems for multiple financial instruments that combine collateral matching to identify matched and unmatched financial transactions and consolidated mark to market valuations for all parties to a matched financial transaction.

#### 2. Background

[0004] Financial market participants are constantly aware of the risks and opportunities in the dynamics of the foreign exchange, derivatives market, and securities market. Bilateral margin agreements are dynamic market contracts in which the parties must account for the margin, the variance in value between the contract price and the market price. Subject to market fluctuations, the valuation of the margin by each party is often a source of conflict and tremendous market inefficiency. Whether it is the complexity and volume of the transactions between the parties, the use of different formulae to calculate the value of the transactions, or a combination of the above factors, the disconnect in margin valuation demands a time consuming manual review process that is detail-oriented and error prone. Manually reviewing a difference or discrepancy in the margin valuation keeps the parties from adequately and promptly assessing its business risks and opportunities in a rapidly changing market economy.

[0005] Bilateral margin agreements require each

party to bear a high level of risk in dealing with the other. The variance of the market and its effect on the margin valuation can create various incentives for a party to take advantage of a favorable market or to remain inactive. The risk is in the party's mark to market valuation of the margin and in the varying market valuation of collateral agreements. Derivative instruments, such as, an interest rate swap, a currency swap, or an interest rate option, pose the greatest risk valuations because they are based on changes in terms of notional amounts and not on exact values.

[0006] Typically, a major party, A, such as any major global financial institution or bank, has a significant book (portfolio) of transactions. For example, a particular global bank may have anywhere from one to fifty (50) transactions against a counter-party, B. Those transactions might be booked and they might all be confirmed, but they are for different notional values, different periods of time, and, in fact, some of them may be interest rate swaps and some of them may be currency swaps. Such a portfolio of transactions raises a significant number of risk issues.

[0007] One of the risk issues, for example, is the mark to market value of a particular transaction. For example, the interest rate swap transaction that lasts over an eighteen (18) month period has an initial value at financial transaction date. However, because time passes and there is a time value of money, the value of that transaction changes every day. It changes based on how interest rates change, which is the floating side; it changes based on exactly how time passes; and it also changes based on factors involved with the volatility of interest rates.

[0008] The changes can be calculated using, for example, complicated mathematical formulae, but the important factor is that the value of the transaction between A and B is different every day. In a portfolio of transactions, let us say fifty (50) transactions, for different values between A and B, some of these transactions can be in the money and some of them can be out of the money to either party. Generally, these values are netted because the parties have netting agreements established between them. However, the problem remains that it is most likely that one party is going to be net out of the money with the other party.

[0009] Assume, for example, that we have fifty (50) transactions in this portfolio between A and B, and that B is \$2 million out of the money as of a given day, such as today. This means that A has at least \$2 million of pure, economic risk that if B, for example, becomes bankrupt today, A will not receive these moneys. Therefore, the institution of collateral agreements has become commonplace within the marketplace.

[0010] A collateral agreement means that, based on certain parameters, if B is out of the money, such as \$2 million, B will post an agreed upon amount of collateral to be held by A until the market changes. The market changes every day, and rather than going through

the laborious and inefficient process of margin-call, B sends A collateral, a smaller sum of money, such as, \$50,000.00. In other words, until the market changes \$50,000.00 back in B's favor, A would keep the collateral. Collateral agreements make sense in continuing business relationships because the changing market conditions make it unreasonable to constantly move money between parties when one party's gains on one day may be losses on the next.

[0011] Given the improved efficiencies of collateral agreements over margin-calls, there are still inefficiencies in their use. For example, the amount of collateral must be agreed upon and must be delivered to the proper party. Additionally, the timely movement of collateral between parties can be a source of inefficiency if the parties are unable to agree upon the amount constituting collateral. Further, the difference in how parties mark to market the collateral becomes a critical issue.

[0012] Collateral, such as, a government bond is marked to market daily because like any other financial instrument, the value of that bond changes every day. Mark to market is a representation of the daily market value and the changes to those market values over a period of time. When any A has multiple collateral agreements with multiple parties, the portfolio of transactions typically includes a variety of different types of transactions, such as, foreign exchange forwards, interest rate swaps, and currency swaps. Accordingly, there is a myriad of bilateral margin agreements in place.

[0013] The current process of reconciling these types of financial transactions is manually intensive, extremely time consuming, and tedious. For example, when A and B have 500 transactions, it can take up to six months just to reconcile those transactions, because transactions are maturing and new transactions are entered into. Some of the transactions may be rather complex and may be under limited control in manual spreadsheets. When these transactions are handled on a manual basis, the mark to market updates can be made on an irregular and unsynchronized schedule, thus causing a disparity in the margin valuation and inefficiency incurred through the review process. At a high level of volume, the process becomes untenable, inefficient, and error prone.

[0014] The ability to reconcile a specific transaction that A is valuing and that B is also valuing is further affected by the likelihood that the two parties are not using exactly the same formulae for creating the value of that transaction. Without an established or agreed upon standard of formulae for calculating the margin, there will always be differences of opinion between A and B, although hopefully minor, as to what the value of a particular transaction is on any given day. Therefore, in addition to agreeing between parties A and B that these transactions exist and that the components of the transactions are equal, it is also necessary to mark to market the value of a particular transaction from both sides on a given day's basis and to reach an agreement

on the net value of all transactions.

[0015] Thus, a need exists for a methods and systems for remotely accessing a secure communications network that provides parties a single point of entry to electronically process collateral matching and mark to market valuations of multiple financial instruments in numerous financial transaction. A need also exists for collateral matching and mark to market methods and systems that afford basic checks on financial transaction data and that prevents duplicate submission of this data. There is a further need for flexible collateral matching and mark to market methods and systems that are able to: (1) provide real-time identification of matched and unmatched financial transactions; (2) provide real-time mark to market portfolio valuations; (3) provide standard formulae and user preferences to develop algorithms for real-time mark to market portfolio valuations; (4) minimize manual review of discrepancies in margin valuations; (5) accommodate additional financial instruments and additional users as the system expands; (6) facilitate lower financial transaction and processing costs; (7) provide multilingual capabilities, settlement currencies, and other identifiers necessary to globally communicate with users interested in collateral matching and mark to market portfolio valuations; and (8) minimize the manual entry and re-keying of information into multiple formats and templates used by parties to a financial transaction.

## SUMMARY OF THE INVENTION

[0016] To overcome the aforementioned problems, the present invention provides an easy, efficient, and reliable standard for parties to efficiently, accurately, and immediately evaluate its relative market positions by providing methods and systems for collateral matching and mark to market valuations of multiple financial transactions. The system utilizes computer hardware and software and makes use of a number of key components, such as a data translation engine, a matching and reconciliation engine with bilateral capabilities, and a client-side reporting administration system using web-based technology. In a secure interface via encrypted and authenticated file transfers, the methods and systems for an embodiment of the present invention enable any execution confirmation matching system to feed the results of a matched transaction to the mark to market reconciliation system to collaterally match and to derive mark to market valuations.

[0017] In an embodiment of the present invention, financial transaction data is transmitted using web-based technology or using a computer-to-computer interface (e.g., a direct link to a broker's order capture system). The financial transaction data transmitted by a party is formatted to FIX, SWIFT, or another standard electronic format. Once in a standard format, the transaction data is transmitted and stored to a communications network that any party can access to track the

status of the collateral matching and mark to market valuations and to report on exception items.

**[0018]** In an embodiment of the present invention, the methods and systems consist of one or more client terminals that works in conjunction with a communications network(s), network server(s), and database(s). The client terminal is an interactive electronic communications device, such as, for example, PC's and/or servers running UNIX or LINUX, a Macintosh, a personal digital assistant (PDA), a pen-based computer, an interactive pager, mobile and cellular phones, a WAP phone, an interactive television, and the like. The client terminal gets all the data it needs to display "user modules" that represent screens displayed on a client terminal and allows a user to view, input, select, and/or transmit financial transaction data, including user instructional data. For example, instead of a party manually reviewing portfolio accounts to determine matched financial transaction and mark to market valuations, financial transaction data is transmitted in an electronic transfer medium, such as, an interactive web-page. The financial data standardized, verified, stored, identified as matched, unmatched, or marked as an exception. Thereafter, mark to market valuations of the transaction data are automatically performed using algorithms of standard formulae and user instructions.

**[0019]** In an embodiment of the methods and systems of the present invention, web-browser/web-server technology can be used in a GUI application to generate, access, and download client reports, and act as an administrative interface. The web-browser is used to deliver a client report to provide the following information: total mark to market valuation, matched financial transactions, unmatched financial transactions, import errors, and other information as required. In an embodiment of the present invention, the web-browser further enables users to generate and transmit administrative instructions for file transfer. The user is able to link and unlink financial transactions, manually match and unmatch financial transactions, add or amend product codes and parties, upload financial transaction data files, download results data, and manage other administrative portfolio tasks.

**[0020]** In an embodiment of the methods and systems of the present invention, a server side data translation engine can translate a party's financial transaction data into a standardized format through data parsing, validation, and format conversion. All file imports are logged and time-stamped in order to provide a complete history and audit trail. Any errors encountered in the import process are logged and written into a database unless primary key data is missing. In another embodiment, this engine offers the flexibility of creating new import specifications and modifying existing ones in order to accommodate new file formats and changes in data content.

**[0021]** In an embodiment of the present invention, the data translation engine feeds the standardized data

to a separate server side engine with bilateral capabilities to match and reconcile financial transactions. This matching and reconciliation engine updates existing financial transactions and inserts any new financial transactions. Specifically, existing unmatched financial transactions are updated with the latest data and existing matched financial transactions are updated to the latest mark to market value. Any other variable fields deemed necessary are also be updated. The system then attempts to match any new financial transactions that have arrived. On a periodic basis set by the user, the system will carry out the reconciliation process for all matched financial transactions that have been updated in the previous period.

**[0022]** In another embodiment of the invention, software encryption and authentication is accomplished using something akin to the concept of having public and private keys. The security system generates a pair of linked keys -- one of which is public and the other is private. The public key is used to generate an encrypted file and can only be decrypted by using the private key. The public key is thus distributed by a party to another party (e.g., counter-party) that it wishes to exchange encrypted data.

**[0023]** In addition to providing the methods and systems outlined above, the present invention: (1) provides highly configurable data import/export specifications; (2) standardizes data formats data; (3) facilitates automatic file transfer; (4) provides near real-time mark to market comparisons of selected financial transaction valuations; (5) allows a user to define decision making criteria to reconcile the mark to market value of matched transactions; and/or (6) notifies each party of new financial transactions.

**[0024]** In another embodiment of the present invention, the methods and systems may be utilized to perform one or more of the following tasks: (1) utilize a user-friendly interactive user interface; (2) provide integration with external and internal systems; (3) provide detailed reports; (4) allow for real-time system modifications and system configuration; (5) allow for customized import/export files; and/or (6) utilize state-of-the-art communications technology.

**[0025]** Further details on these embodiments, other possible embodiments, and additional methods and systems of the present invention are set forth below.

**[0026]** As are appreciated by those of ordinary skill in the art, the methods and systems of the present invention have wide utility in a number of areas as illustrated by the wide variety of features and advantages discussed below.

**[0027]** It is a feature and advantage of the present invention to provide methods and systems of automatically collecting and distributing collateral mark to market valuation reconciliation information associated with a financial transaction that provide real-time notification of all valuation changes to parties to a financial transaction.

**[0028]** It is another feature and advantage of the present invention to provide methods and systems for automated collateral matching and mark to market reconciliation with a global reach that reduces manual activity, expands productivity, and acts as a bridge to both confirmation and depository systems.

**[0029]** It is another feature and advantage of the present invention to import and store financial transaction data feeds by remote booking/accounting systems and to allow all parties to a transaction to be aware of a new transaction whenever the transaction is uploaded.

**[0030]** It is another feature and advantage of the present invention to access, convert, manage, store, and transmit electronic financial transactional data associated with collateral matching and mark to market valuations.

**[0031]** It is another feature and advantage of the present invention to enable parties in a transaction to establish norms and other reconciliation criteria, and, to thereby, monitor mark to market values with more certainty.

**[0032]** It is another feature and advantage of the present invention to allow the use of different reconciliation algorithms or sets of algorithms among parties to a financial transaction.

**[0033]** It is another feature and advantage of the present invention to evaluate data fields in a financial transaction and to match financial transactions based on data tolerances and/or user preferences.

**[0034]** It is another feature and advantage of the present invention to evaluate date fields in a financial transaction and to match financial transactions based on date tolerances and/or user preferences.

**[0035]** It is another feature and advantage of the present invention to evaluate number fields in financial transaction data and match transactions based on number tolerances and/or user preferences.

**[0036]** It is another feature and advantage of the present invention to reduce costly exception processing associated with collateral matching and mark to market valuations.

**[0037]** It is another feature and advantage of the present invention to generate key financial reports that a party can use to monitor and control portfolios of collateralized agreements and other bilateral margin agreements.

**[0038]** It is another feature and advantage of the present invention to eliminate the need for customers using a depository or collateral agent to re-key daily data.

**[0039]** It is another feature and advantage of the present invention to make file hand-offs automatic.

**[0040]** It is another feature and advantage of the present invention to convert data into a standardized format.

**[0041]** It is another feature and advantage of the present invention to provide flexible data conversion parameters.

**[0042]** It is another feature and advantage of the present invention to authenticate, verify, and confirm mark to market parameters and financial transaction data to reconcile matched financial transactions.

**[0043]** It is another feature and advantage of the present invention to automatically export financial transactional data to multiple users, including buyers, sellers, and third parties (e.g., collateral agents, depositories, etc.).

**[0044]** It is another feature and advantage of the present invention to provide detailed audit reports to capture the actions, events, errors, and the like involved in the import and/or export of data, in the internal processing of data, and in the manual matching and reconciliation processes.

**[0045]** It is another feature and advantage of the present invention to provide security, authentication, and entitlement features.

**[0046]** It is another feature and advantage of the present invention to allow a party to enter and submit financial transaction data and to modify previously submitted financial transaction data.

**[0047]** It is another feature and advantage of the present invention to provide a flexible collateral matching and mark to market system that is capable of accommodating changes in the system architecture.

**[0048]** It is another feature and advantage of the present invention to accommodate growth in the number of users (e.g., parties, system administrators, etc.).

**[0049]** It is another feature and advantage of the present invention to provide a collateral matching and mark to market system that is capable of running on many different hardware platforms and with many different operating systems.

**[0050]** It is another feature and advantage of the present invention to interface and communicate with the network communications system through a variety of electronic mediums, including wireline and wireless technology, such as, for example, WAN, LAN, PSTN, public networks, satellite systems, and the like.

**[0051]** It is another feature and advantage of the present invention to provide on-line system help to the user.

**[0052]** It is another feature and advantage of the present invention to provide for multiple levels of user access and to facilitate multiple levels of security related to those levels of user access.

**[0053]** It is another feature and advantage of the present invention to secure the source code on the network server and/or communications network.

**[0054]** It is another feature and advantage of the present invention to provide a user with access to a variety of optional additional useful administrative features, such as, for example, changing a password, adding a financial instrument, and setting defaults.

**[0055]** It is another feature and advantage of the present invention to have one standardized user inter-

face regardless of a user's computer system (i.e., the hardware platforms, operating systems, programming languages, software applications, and other computer technology).

[0056] It is another feature and advantage of the present invention to allow a user to store data on a local computer or local network.

[0057] It is another feature and advantage of the present invention to provide multilingual capabilities including translations of financial transaction data, including mark to market data and user data.

[0058] It is another feature and advantage of the present invention to allow a user to select a language (e.g., English, French, Spanish, German, etc.) to display user module information, including data that is uploaded or downloaded by a user.

[0059] It is another feature and advantage of the present invention to allow for single data entry in order to eliminate the mistakes caused by the re-entry of data by multiple users, and accordingly, to reduce the need for personnel to enter financial transaction data and reconciliation data.

[0060] It is another feature and advantage of the present invention to significantly reduce the time required by the overall reconciliation process.

[0061] These advantages and features may be accomplished singularly, or in combination, in one or more of the embodiments of the present invention.

[0062] Additional uses, objects, advantages, and novel features of the invention are set forth in the detailed description that follows and will become more apparent to those skilled in the art upon examination of the following or upon learning by practice of the invention.

#### BRIEF DESCRIPTION OF THE FIGURES

[0063] Other advantages and features of the invention are more clearly understood by reference to the following description taken in connection with the accompanying figures, in which:

Figures 1A, entitled "MTM Reconciliation Topology Overview," and 1B, entitled "MTM Reconciliation System Schematic," illustrate overviews of the reconciliation topology and system schematic in one or more embodiments of the methods and systems for collateral matching and mark to market reconciliation.

Figure 2, entitled "Overview - Mark to Market Valuation," illustrates an overview of the mark to market valuation process flow in an embodiment of the methods and systems for collateral matching and mark to market reconciliation.

Figure 3, entitled "Financial Transaction Data Flow," illustrates the financial transaction data flows in an embodiment of the methods and systems for collateral matching and mark to market.

Figure 4, entitled "Daily Transaction Reconciliation Flows," illustrates the daily process flows in an embodiment of the methods and systems for collateral matching and mark to market.

Figure 5, entitled "Exposure Summary Report for Bank No. 1," illustrates a sample Exposure Summary Report in an embodiment of the methods and systems for collateral matching and mark to market reconciliation.

Figures 6A-D, entitled "Data Table for Matched Financial Transactions," illustrate sample data for matched financial transactions in an embodiment of the methods and systems for collateral matching and mark to market reconciliation.

Figure 7, entitled "Data Table for Unmatched Financial Transactions," illustrates sample data for unmatched financial transactions in an embodiment of the methods and systems for collateral matching and mark to market reconciliation.

Figure 8, entitled "Data Table for Expired Financial Transactions," illustrates sample data for expired financial transactions in an embodiment of the methods and systems for collateral matching and mark to market reconciliation.

Figure 9, entitled "Import Errors Bank No. 2," illustrates a sample Import Error Report in an embodiment of the methods and systems for collateral matching and mark to market reconciliation.

Figure 10, entitled "International Swap Dealer Association (ISDA) Agreement Matrix," illustrates a sample ISDA agreement matrix in an embodiment of the methods and systems for collateral matching and mark to market reconciliation.

Figure 11, entitled "Sample Input Data Files - Three (3) Types of Input Formats," illustrates sample input data files in an embodiment of the methods and systems for collateral matching and mark to market reconciliation.

Figures 12A-D, entitled "File Import Specification," illustrates samples of file import specifications in an embodiment of the methods and systems for collateral matching and mark to market reconciliation.

Figure 13, entitled "Matching Criteria," illustrates data tables of matching criteria data fields in an embodiment of the methods and systems for collateral matching and mark to market reconciliation.

Figures 14A and 14B, entitled "Tables of Data Fields," illustrate sample tables of data fields in an embodiment of the methods and systems for collateral matching and mark to market reconciliation.

#### DETAILED DESCRIPTION

[0064] The essence of the present invention is to automate the collateral matching and derivative mark to market (MTM) reconciliation process by accepting one or more files of financial transaction data from numerous parties and to produce market valuations and

reports that enable each party in a multi-party financial transaction to agree and adjust its relative collateral positions simply and quickly. The present invention is related to, but remains independent of, any execution confirmation matching system.

[0065] The system reconciles the MTM value of multiple financial instruments. Any financial instrument (e.g., interest rate swaps, currency swaps, interest rate options, non-delivery versions of foreign exchange related products, etc.) may be matched and reconciled. In an embodiment, the present invention reconciles matched financial transactions that are handed-off by a party such that the financial transaction data can be accepted without the need for re-matching.

[0066] The present invention will now be described in more detail by illustrative examples with reference to the embodiment(s) depicted in the Figures. The following described embodiment(s) is presented by way of example and should not be construed as limiting the inventive concept to any particular configuration.

[0067] Referring to Figures 1A and 1B, a basic overview of the mark to market (MTM) topology and system schematic is depicted. As shown in Figure 1, a client terminal 101a, 101b or a server 102 is connected over a secured firewall 105 to a communications network 160. The communications network 160 includes a secured web-server 106, a data parser/translator 107, a reports generator 108, a transaction processor 109, and a MTM processor 110. Daily MTM values 162, MTM reports 163, and a web-transactor 161 are maintained and communicated via the communications network. Further, the communications network 160 is coupled over a secured firewall 111 to a transaction database 112 and a database containing customer records 113 (e.g., records containing profile data of each party, financial service provider, etc.). Depositories or other third parties 170 may also be connected and have access to information in the communications network 160. Transmission Control Protocol/Internet Protocol (TCP/IP) 104 may be utilized over a virtual private network wherein a user can dial in through a modem, over integrated services digital network (ISDN), or over a fixed line, such as, for example, a leased line to access the communications network 160. Alternatively, the system operates over the Internet using a web-browser 103 with suitable bridges and security.

[0068] The collateral matching and mark to market system includes at least one client terminal 101a, 101b. The client terminal 101a, 101b typically includes a central processing unit (CPU), a monitor or other visual display device, a keyboard or some other input device, and a communications device. Client terminals 101a, 101b transmit and receive data to and from a server 106 via a communications network 160. Client terminals 101a, 101b interact with the server 106 in a typical client/server platform. The operation of the system according to the embodiment shown in Figure 1 is as follows. A party at a client terminal 101a accesses the

communications network and transmits financial transaction data, including financial data and user profile data. The server 106 either creates a new object in the software or modifies an existing object to standardize and store the financial transaction data. Thereafter, the financial transaction data is automatically matched and reconciled using parameters specified by a party. A counter-party sitting at another client terminal 101b can then enter the system and access the uploaded financial transaction data and results including matched transactions and mark to market valuations for specific financial instruments.

[0069] In a possible embodiment of the present invention, the client terminal 101a, 101b may be any PC running a Windows operating system or may be a Windows NT workstation with access to a global communications network 160, such as, the Internet. For example, the client terminal 101a, 101b may be a PC that supports either Internet Explorer or Navigator to provide access to the Intranet or Internet. Alternatively, it should be appreciated that the client terminal 101a, 101b could take on a variety of other suitable forms, such as, for example, PC's and/or servers running UNIX or LINUX, a Macintosh, a PDA, a pen-based computer, an interactive pager, mobile and cellular phones, a WAP phone, an interactive television, and the like. Furthermore, the client terminal could be electronically connected to a communications network 160 by way of other wireline or wireless technology, including, for example, WAN, LAN, PSTN, public networks, satellite systems, and the like.

[0070] In an embodiment of the present invention, the client terminal 101a, 101b displays user modules that represent screen shots and prompts the user to view, input, export, select, and/or transmit various information about financial transactions, user information, collateral matching criteria, other decision making criteria, and mark to market valuations. The user modules may be advantageously displayed as web-page projected upon a client terminal 101a, 101b running a web-browser 103 coupled with to a communications network 160.

[0071] Figure 2, entitled "Overview - Mark to Market Valuation," illustrates an embodiment of the mark-to-market process flow between the parties 201, 221 after the financial transactions are input and matched 211 within the system. After each specified period of time, usually once daily, all derivative transactions are marked to market 202, 222 by a party 201, 221. Each party's formulae may be different and proprietary. As a contributing member of the system, each party 201, 221 runs their proprietary MTM systems 202, 222 to value their transactions.

[0072] Then, the results of these MTM bookings 202, 222 are fed in a known file format 203, 223 to the formatting module 210. Both parties may prepare and send their MTM values in different formats. The data is then parsed and translated to a standardized format 210 and transmitted to the MTM processor 211.

[0073] Next, the transactions containing the newly updated MTM values are matched by the transaction processor 212 against the data contained in the transaction database 213. Thereafter, the current MTM values replace the last set of MTM values. This occurs for each party that submitted MTM values, including revised MTM values.

[0074] The MTM processor 211 generates the reports for each party's transactions versus those of the appropriate counter-party, such that if all parties submitted revised MTM values, a complete set of valuations for each party's portfolio of transactions would result.

[0075] Each party 201, 221 is able to access the reports via a communications network 204, 224 and can electronically export the data to be used either as input to their own collateral management systems 205, 225 or to the system of the depository 206, 226 managing their collateral portfolio. The data may also be printed out in a multitude of user specified reports.

[0076] Figure 3, entitled "Financial Transaction Data Flow," illustrates the financial transaction data flows in an embodiment of the methods and systems for collateral matching and mark to market valuation. Note that the financial transaction depicted in Figure 3 is a trade. A party inputs or uploads data files 301 to the system and the system parses, maps, translates, and enriches the data files into a standard format 302. The data files may be used to update and insert financial transaction data for unmatched financial transactions 303, and is then used to match a financial transaction 304. Alternatively, the data files may be used to update the mark to market value of a matched financial transaction 304. After a transaction is matched 304, the system reconciles the mark to market value and transmits the output into a report format 305 that can be output or downloaded to a party's PC or computer information system 306.

[0077] Figure 4, entitled "Daily Transaction Reconciliation Flows," further illustrates the daily transaction reconciliation flows in an embodiment of the methods and systems for collateral matching and mark to market. A party exports data to a standard format 401 which is encrypted using public key and other security precautions 402. Thereafter, the data is transmitted to a server 403, and the "transaction" process begins. The data is monitored on the server 410 and translated and copied to a data file 411. The data file is decrypted and authenticated 412, and then imported, updated, and matched with other financial transaction data 413. The system runs a reconciliation process 420 for the matched transactions and exports the results to each party in an encrypted format 421. A party can access the server 440 and receive the results of the matching and the mark to market reconciliation process. The server or software running on the party's local computer system decrypts and authenticates the results 441 and imports the results to the party's local computer system 442.

[0078] As illustrated in Figures 3 and 4, a key

aspect of present invention is to capture financial transactions that both parties, such as parties A and B, have agreed upon in terms of the financial transaction data. This also assures that both parties are simultaneously aware of new transactions. If the transactions are fed by remote booking systems, this can occur when the transaction is booked. The methods and systems for an embodiment of the present invention assist both parties in establishing reconciliation norms and then in monitoring the mark to market values with more certainty, reducing costly exception processing on all sides, which is the main engine for change in this particular marketplace.

[0079] Currently, the fact is that the exception processing requirements are extremely onerous on all parties. The methods and systems for an embodiment of the present invention requires little or no reprogramming of customer systems. The system for an embodiment of the present invention generates reports in an on-line mode that are available to users and that display key financial information that the collateral units of individual users can use to monitor and control their portfolios of collateralized agreements and the transactions covered by those agreements with a certainty that the parties are using the same formulae.

[0080] An embodiment of the present invention provides a global system that reduces manual activity while expanding productivity and acts as a bridge to any confirmation system or systems, as well as to some depository systems. Assume four parties, such as parties A, B, C, and D, which can all be, for example, financial institutions, such as, banking institutions. Most complex transactions, such as swap type transactions are, in fact, executed between two financial institutions. Party A can be one financial institution, and B can simply be a different financial institution. Parties B, C, and D can be, for example, the three largest counter-parties to A's interest rate swaps book. They are not restricted as to geography or the like.

[0081] If A has collateral agreements, for example, with parties B, C, and D, and B has agreements, for example, with parties A, C, and D, and so on, there is a whole series of bilateral, collateral agreements between these four parties. In an embodiment of the present invention, transactions are marked to market nightly, for example, within A's mainframe or A's server (or B's server or C's server or D's server). Once this is completed, they feed via a secure high volume line the transaction identifications and the mark to market values for those transactions to the system for an embodiment of the present invention.

[0082] In the aforementioned embodiments, a user inputs files (files that are provided by parties A, B, C, and D) of financial transaction details and of the mark to market values associated with those financial transactions. This can be a daily (or more frequent) data feed that includes an identification portion and a mark to market portion of the feed. The system for an embodi-



ment of the present invention takes this feed, translates the data to a common format, and then parses it, and validates that, in fact, the system has reconciled the transaction. If the system has not reconciled the transaction, the system parses it, maps it into the language that the reconciliation system understands, and then performs a reconciliation, for example, against client B's input files.

**[0083]** Therefore, the system translates all of the financial transaction data, for example, of today's financial transactions in standard form and goes through a matching routine, as opposed to a confirmation routine, to see, for example, if B has input B's side of this particular transaction. Once that reconciliation process takes place, then, for example, for the next day's feed, the only information the system actually parses out is the new mark to market value.

**[0084]** In an embodiment of the present invention, the output files are, in fact, web-enabled. Effectively, they are portfolio reports that the system allows the customer to access and to see what their mark to market values are versus, for example, any B, or any C or D, and so on, and likewise, with any of the other parties. Thus, the parties can see what their netted value of portfolio transactions is versus other individual counterparties. By enabling the parties to do this, they can determine very quickly whether or not more or less collateral is required, and whether, in fact, there is a change of collateral required under the terms of the collateral agreement. It is extremely important in a collateral agreement to have current and accurate mark to market values against the collateral agreement to reduce risks for each of the parties, and the methods and systems for an embodiment of the present invention provide a means to reduce such risks.

**[0085]** The complexities of the process are multiplied by the fact that many of these financial institutions have what are known as global books. A global book means that certain transactions are booked, for example, in the United States; other transactions of the same portfolio against B may be booked in the United Kingdom, and still other transactions may be booked in Singapore for, example, against Asia Pacific counterparties. When dealing with a bilateral agreement, it means dealing with a netted totality of those transactions versus the same totality of any B. This requires, basically, a 24 hour by 7 day capability, so that a financial institution with a global book is always updating its mark to market values against a party, against the global book of transactions.

**[0086]** Currently, all counter-parties basically deal on a bilateral basis, many of them on a manual basis. The methods and systems for an embodiment of the present invention, provides a 24 hour by 7 day platform with a web-enabled capability of reviewing portfolios of mark to market values to any party anywhere in the world. An embodiment of the present invention includes, for example, a number of major aspects. One aspect, for

example, is the matching and reconciliation aspect. Once a transaction has been matched and reconciled in a transaction between parties, such as A and B, another aspect of an embodiment of the present invention, for example, is that then the system is able to take and parse an updated mark to market valuation against those matched transactions and perform mathematical calculations to create a netted value against those transactions. Still another aspect for an embodiment of the present invention is to enable a customer to review and receive on-line reports of the customer's global portfolio. This is done at a server level, in which the client is enabled to access the server for an embodiment of the present invention from their local PC and review their positions.

**[0087]** Another function that a party has is the ability to export financial transaction data on the system by a counter-party into another spreadsheet. A party can download the data into his or her booking/accounting system and generate his or her own spreadsheet. The client application (e.g., GUI) for an embodiment of the present invention can be programmed to take on most any format of spreadsheet that a party utilizes. In this way, a party can import their latest financial transactional data every morning into the system and make it available to any counter-party that access the system.

**[0088]** Referring now to Figure 5, entitled "Exposure Summary Report for Bank No. 1," a sample Exposure Summary Report is provided to illustrate a report in an embodiment of the methods and systems for collateral matching and mark to market reconciliation. The sample report represents the exposure of one party, represented by Bank 1, to two or more other parties, represent by Bank 2 and Bank 3.

**[0089]** The exposure that Bank 1 has to the others is separated between those transactions that are matched, for instance between Bank 1 and Bank 2, and those that are not matched between Bank 1 and Bank 2. Each bank's transaction values are accumulated for that portion of the portfolio that is matched and unmatched. The individual net sums mean that when all transactions are summed, keeping mind of the sign of the value according to that parties MTM value, the net exposure of Bank 1 to Bank 2 can be visually depicted. In this illustration, Bank 1 has a 21,214,590.41 total positive exposure to Bank 2; Bank 2 has a total negative exposure to Bank 1 of 41,281,764; and the total net exposure that Bank 2 has to Bank 1 is 20,067,173.59. This is repeated for each counter-party that Bank 1 has exposure to or from.

**[0090]** Figures 6A-D, entitled "Data Table for Matched Financial Transactions," illustrate sample data for matched financial transactions in an embodiment of the methods and systems for collateral matching and mark to market reconciliation. The present invention matches all transactions input by each bank to the other.

**[0091]** Figure 6A represents the matched transac-

tions between Bank 1 and Bank 2. The table displays all data for both banks that represent the matching criteria. Once a financial transaction is matched, the two sides of the matched transaction are given a unique identifier known as the "Recon Matching ID" that remains for the life of the matched transaction. Figure 6B is a continuation of Figure 6A so that the totals are displayed. The totals include the number of records and the net sum of the mark to market values of matched trades.

[0092] Figure 6C shows similar matched trades between Bank 1 and Bank 3. Figure 6D is a continuation of 6C so that the totals are displayed, as in Figure 6B. This particular example shows a net negative mark to market value from Bank 1 to Bank 3.

[0093] Figure 7, entitled "Data Table for Unmatched Financial Transactions," depicts an unmatched financial transaction table representing two parties, Bank 1 and Bank 2. All transaction data is displayed so that Bank 1 can use this table as a worksheet when reconciling with Bank 2. All transactions are viewed from the point of view of Bank 1, although the system knows that the counter-party for each of the transactions represented is Bank 2.

[0094] Figure 8, entitled "Data Table for Expired Financial Transactions," illustrates sample data for financial transactions that have expired or matured. The table displays all expired transaction where Bank 1 is one party and Bank 2 is the counter-party. The table is divided by those transactions denominated in United States Dollars (USD) and those denoted by other currencies.

[0095] Figure 9, entitled "Import Errors Bank No. 2," illustrates financial transaction data submitted by one party, Bank 2, that failed validation checks and was subsequently rejected. Financial transaction data may be rejected because the data file doesn't contain certain required fields or because certain fields contain specific data formats. This table includes all rejections with the appropriate error messages.

[0096] Figure 10, entitled "International Swaps Dealers Association (ISDA) Agreement Matrix," illustrates a sample ISDA Agreement Matrix in an embodiment of the methods and systems for collateral matching and mark to market reconciliation. The ISDA is an industry managed association that creates and maintains standards for how financial transactions are processed by all parties. These standards are different for each type of financial instrument, and likewise there are different standards of documentation for each type or class of financial transaction.

[0097] The ISDA Agreement Matrix shows that any party can have different agreements or versions of the agreements with different counter-parties, depending when the agreements were negotiated. The ISDA matrix serves as the baseline for the present invention to recognize the terms under which the financial transaction is processed.

[0098] Figure 11, entitled "Sample Input Data Files,"

illustrates three sample input data file formats in an embodiment of the methods and systems for collateral matching and mark to market reconciliation. The three formats include:

- Tab Delimited
- Fixed Format
- Tab Delimited with Headings.

[0099] Figures 12A-D, entitled "File Import Specification," represent examples of inputs that have been stripped from the formats provided by the inputting party and that are translated to the standard mark to market reconciliation format.

[0100] Figure 13, entitled "Matching Criteria," illustrates a data table of matching criteria in an embodiment of the methods and systems for collateral matching and mark to market reconciliation. In this embodiment, the present invention uses field matching criteria to match financial transactions from two or more parties. Some fields require exact matches, while others may have tolerances. For example, data that shows a date for party A that is one day different from the corresponding date for party B may still be considered as a matching date.

[0101] There are also different levels of matching. For example, two parties may bilaterally determine a very lenient matching criteria that is categorized by the system as a "Level 3" matching criteria. In this instance (i.e., Level 3), many fields require exact matches, but the maturity date of the transaction could be different by ten days for a transaction between the two parties and still be considered a matched trade.

[0102] Figures 14A and 14B, entitled "Tables of Data Fields," illustrate sample financial transaction data tables that specify the field names, the data type within the field, and the maximum data length of the field.

[0103] The foregoing description and associated figures detail only illustrative examples of the environment in which the invention can be used and are not intended to be limiting. For instance, data fields and attributes can be constantly updated and added by authorized users (e.g., parties, system administrators, financial service providers, etc.). Furthermore, the programming languages, software platforms, operating systems, hardware components, communications protocols, and other technology mentioned in the foregoing description are by way of example only, and the present invention may always be enhanced to incorporate the most advanced available technology. Variations and modifications of the present invention is apparent to one skilled in the art, and the above disclosure is intended to cover all such modifications and equivalents.

## Claims

1. A platform-independent method of collateral matching and mark to market reconciliation using a glo-

bal communications network, comprising:

accessing said global communications network;

transmitting financial transaction data, wherein said financial transaction data comprises financial data and user instructional data;

converting said financial transaction data to a standard format;

comparing a first set of financial transaction data with a second set of financial transaction data to determine a collateral match decision;

retrieving mark to market parameters for said financial transaction data associated with said collateral match decision;

using said mark to market parameters to calculate a market value for said financial transaction data associated with said matched decision; and

providing useful reports.

2. The method of claim 1, wherein said mark to market parameters comprise at least one of the following:

market values associated with a financial transaction; and

user specified decision criteria for valuing said financial transaction; and

user specified decision criteria for reconciling said financial transaction.

3. The method of claim 2, wherein said market values associated with said financial transaction comprise real-time, world-wide market values.

4. The method of claim 1, further comprising:

managing said financial transaction data;

auditing said financial transaction data upon submission by a user; and

administering said financial transaction data.

5. The method of claim 1, wherein said converting of said financial transaction data to said standard format comprises:

providing a template for import of said financial transaction data in an electronic medium;

importing said financial transaction data;

creating an import specification for said standard format of each file; and

generating a unique import specification code to monitor said file.

6. The method of claim 1, wherein said converting of said financial transaction data to said standard format comprises:

providing a template for export of said financial transaction data in an electronic medium;

exporting said financial transaction data;

creating an export specification for said standard format of each file; and

generating a unique export specification code to monitor said file.

7. The method of claim 1, further comprising:

processing said financial transaction data using a mark to market processor.

8. The method of claim 1, further comprising:

processing said financial transaction data using a data conversion processor.

9. The method of claim 8, wherein said data conversion processor comprises:

managing a data file from said user;

converting said data file to a standard file format;

parsing said data file;

validating said data file;

converting a data field to a standard data field format;

inserting a filler data field for empty-fixed data fields;

mapping a standardized, populated data field according to said user's preferences;

reconfiguring import specifications;

creating new import specifications;

reconfiguring export specifications;

creating new export specifications; and

logging errors.

10. The method of claim 1, further comprising:

processing said financial transaction data using a reconciliation processor.

11. The method of claim 10, wherein said reconciliation processor comprises:

configuring updated data fields;

using one or more matching algorithms for a set of parties associated with said financial transaction;

prioritizing matching algorithms for said set of parties associated with said financial transaction; and

using tie-breaker rules when said matching

algorithm returns more than one or more market valuations for said financial transaction data associated with said collateral match decision.

12. The method of claim 1, wherein said useful reports comprise a report of at least one of the following:

said collateral match decision;  
said market value;  
said real-time world-wide market value;  
total exposure of said user;  
import errors for said user;  
said mark to market parameters;  
said user specified decision criteria for valuing said financial transaction; and  
said user specified decision criteria for reconciling said financial transaction.

13. The method of claim 1, further comprising:

controlling a communications path for discussing said financial transaction data and one or more associated market valuations among multiple users.

14. A platform-independent system of collateral matching and mark to market reconciliation using a global communications network, comprising:

means for accessing said global communications network;  
means for transmitting financial transaction data, wherein said financial transaction data comprises financial data and user instructional data;  
means for converting said financial transaction data to a standard format;  
means for comparing a first set of financial transaction data with a second set of financial transaction data to determine a collateral match decision;  
means for retrieving mark to market parameters for said financial transaction data associated with said collateral match decision;  
means for using said mark to market parameters to calculate a market value for said financial transaction data associated with said matched decision; and  
means for providing useful reports.

15. The system of claim 14, wherein said mark to market parameters comprise at least one of the following:

market values associated with a financial transaction; and

user specified decision criteria for valuing said

financial transaction; and

user specified decision criteria for reconciling said financial transaction.

16. The system of claim 15, wherein said market values associated with said financial transaction comprise real-time, world-wide market values.

17. The system of claim 14, further comprising:

means for managing said financial transaction data;  
means for auditing said financial transaction data upon submission by a user; and  
means for administering said financial transaction data.

18. The system of claim 14, wherein said converting of said financial transaction data to said standard format further comprises:

means for providing a template for import of said financial transaction data in an electronic medium;  
means for importing said financial transaction data;  
means for creating an import specification for said standard format of each file; and  
means for generating a unique import specification code to monitor said file.

19. The system of claim 14, wherein said converting of said financial transaction data to said standard format further comprises:

means for providing a template for export of said financial transaction data in an electronic medium;  
means for exporting said financial transaction data;  
means for creating an export specification for said standard format of each file; and  
means for generating a unique export specification code to monitor said file.

20. The system of claim 14, further comprising:

means for processing said financial transaction data using a mark to market processor.

21. The system of claim 14, further comprising:

means for processing said financial transaction data using a data conversion processor.

22. The system of claim 21, wherein said data conversion processor comprises:

means for managing a data file from said user;  
 means for converting said data file to a standard file format;  
 means for parsing said data file;  
 means for validating said data file;  
 means for converting a data field to a standard data field format;  
 means for inserting a filler data field for empty-fixed data fields;  
 means for mapping a standardized, populated data field according to said user's preferences;  
 means for reconfiguring import specifications;  
 means for creating new import specifications;  
 means for reconfiguring export specifications;  
 means for creating new export specifications;  
 and  
 means for logging errors.

**23.** The system of claim 14, further comprising:

means for processing said financial transaction data using a reconciliation processor.

**24.** The system of claim 23, wherein said reconciliation processor comprises:

means for configuring updated data fields;  
 means for using one or more matching algorithms for a set of parties associated with said financial transaction;  
 means for prioritizing matching algorithms for said set of parties associated with said financial transaction; and  
 means for using tie-breaker rules when said matching algorithm returns more than one or more market valuations for said financial transaction data associated with said collateral match decision.

**25.** The system of claim 14, wherein said useful reports comprise a report of at least one of the following:

said collateral match decision;  
 said market value;  
 said real-time world-wide market value;  
 total exposure of said user;  
 import errors for said user;  
 said mark to market parameters;  
 said user specified decision criteria for valuing said financial transaction; and  
 said user specified decision criteria for reconciling said financial transaction.

**26.** The system of claim 14, further comprising:

means for controlling a communications path for discussing said financial transaction data and one or more associated market valuations

among multiple users.

**27.** A platform-independent automated collateral matching and mark to market reconciliation method for creating, managing, verifying, and confirming matched financial transactions, comprising:

displaying a user module for viewing, selecting, inputting, and transmitting transaction data from a user to a network collateral matching and reconciliation system;  
 receiving said transaction data upon submission by a user;  
 translating said transaction data upon submission by said user,  
 authenticating said transaction data upon submission by said user;  
 storing said transaction data upon submission by said user;  
 associating said transaction data with collateral matching parameters to determine a matching outcome;  
 using said transaction data associated with said matching outcome to determine a mark to market valuation; and  
 transmitting said mark to market valuation to be displayed by said user interface.

**28.** The method of claim 27, further comprising:

auditing said transaction data upon submission by said user;

controlling a communications path for discussing said transaction data and said matching outcome among multiple users; and

generating useful reports.

**29.** A platform-independent automated collateral matching and mark to market reconciliation system for creating, managing, verifying, and confirming matched financial transactions, comprising:

means for displaying a user module for viewing, selecting, inputting, and transmitting transaction data from a user to a network collateral matching and reconciliation system;  
 means for receiving said transaction data upon submission by a user;  
 means for translating said transaction data upon submission by said user;  
 means for authenticating said transaction data upon submission by said user;  
 means for storing said transaction data upon submission by said user;  
 means for associating said transaction data with collateral matching parameters to deter-

mine a matching outcome;  
means for using said transaction data associated with said matching outcome to determine a mark to market valuation; and  
means for transmitting said mark to market valuation to be displayed by said user interface. 5

**30. The system of claim 29, further comprising:**

means for auditing said transaction data upon submission by said user; 10

means for controlling a communications path for discussing said transaction data and said matching outcome among multiple users; and 15

means for generating useful reports.

**31. A secure, platform-independent automated system for collateral matching and mark to market reconciliation, comprising: 20**

a network automated collateral matching and mark to market reconciliation system coupled to at least one communications network having a plurality of users; 25

an interactive user module coupled with a network management system server connected to said communications network having a plurality of users; 30

a plurality of client terminals coupled to said interactive user module for user interaction with said network automated collateral matching and mark to market reconciliation system. 35

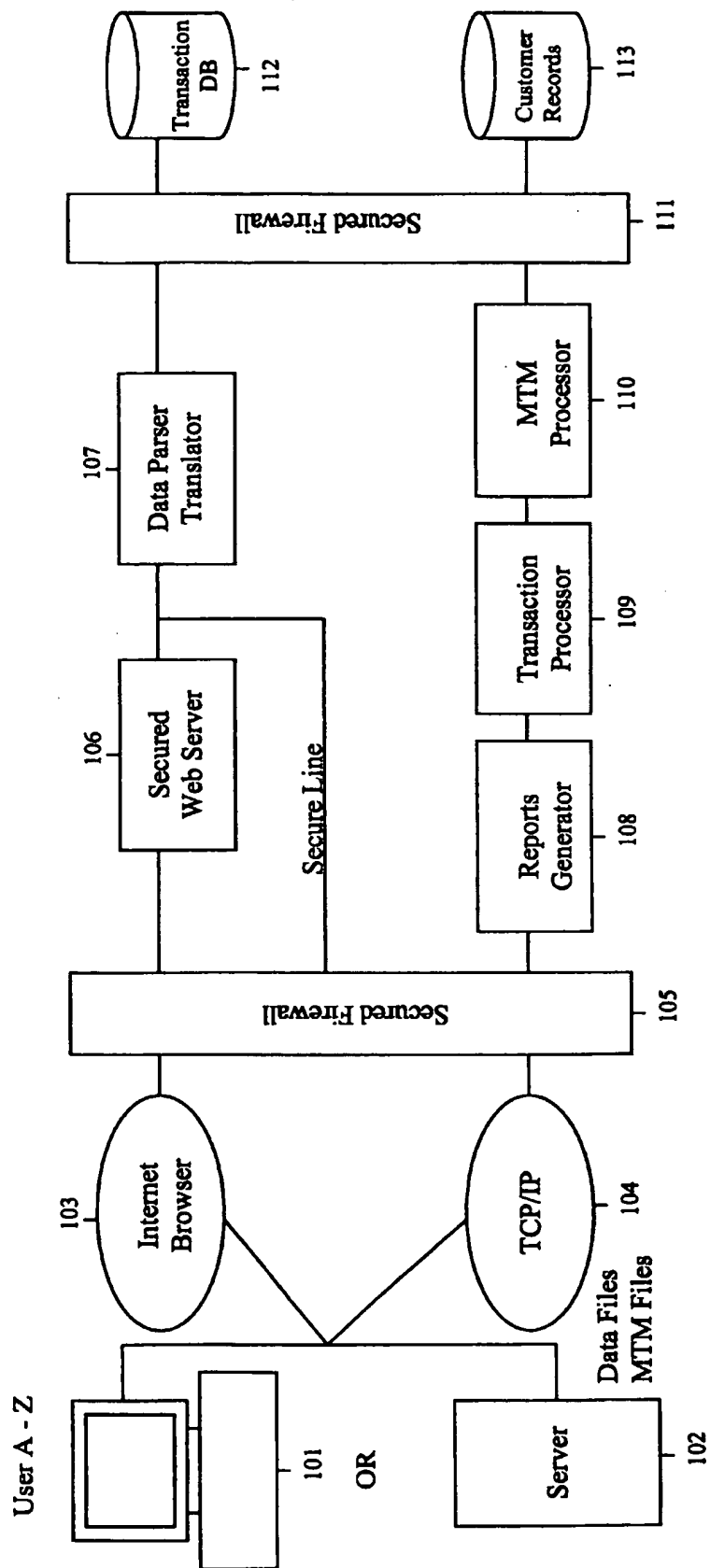
**32. The system of claim 31, wherein said interactive user module comprises an application that is downloaded from a web-page to said network automated collateral matching and mark to market reconciliation system. 40**

**33. The system of claim 31, wherein said interactive user module is communicated to said network automated collateral matching and mark to market reconciliation system by one of an internet, an intranet, or an extranet. 45**

**34. The system of claim 31, wherein said communications network is a financial institution's communications network. 50**

55

## MTM Reconciliation Topology Overview



**FIG. 1A/14**

MTM Reconciliation System Schematic

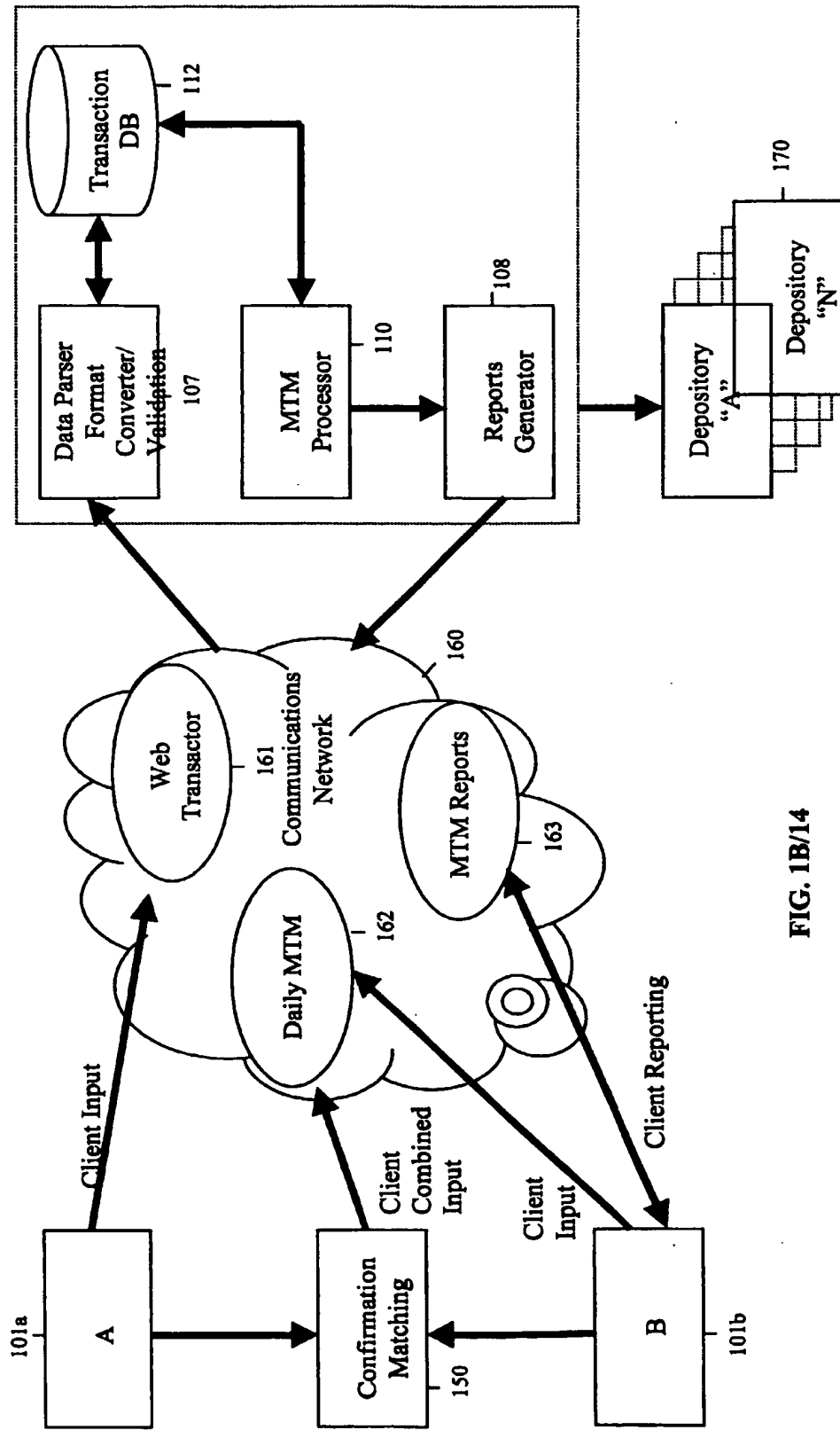


FIG. 1B/14



## Overview – Mark to Market Valuation

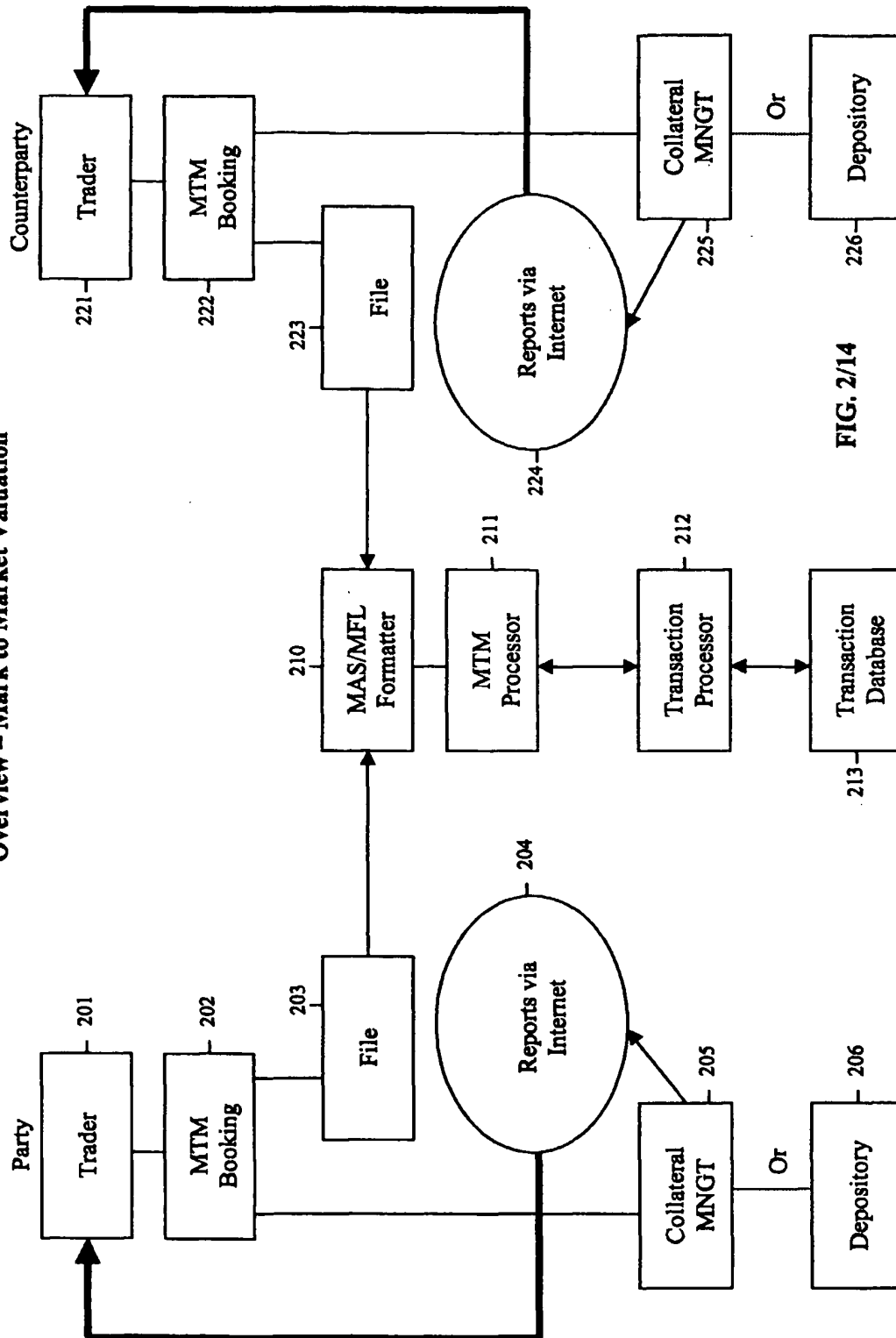
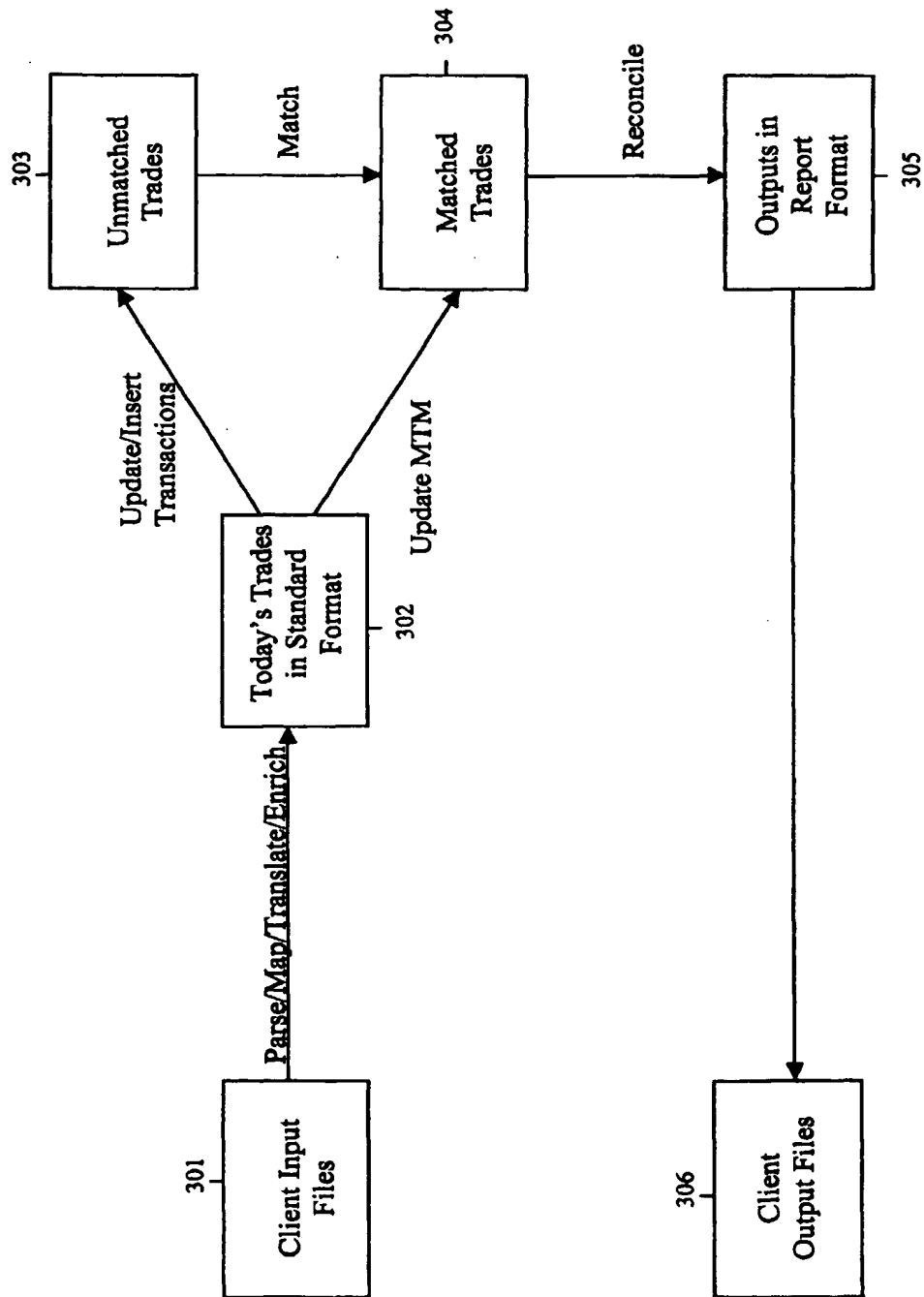


FIG. 2/14

**Financial Transaction Data Flow****FIG. 3/14**

### Daily Transaction Reconciliation Flows

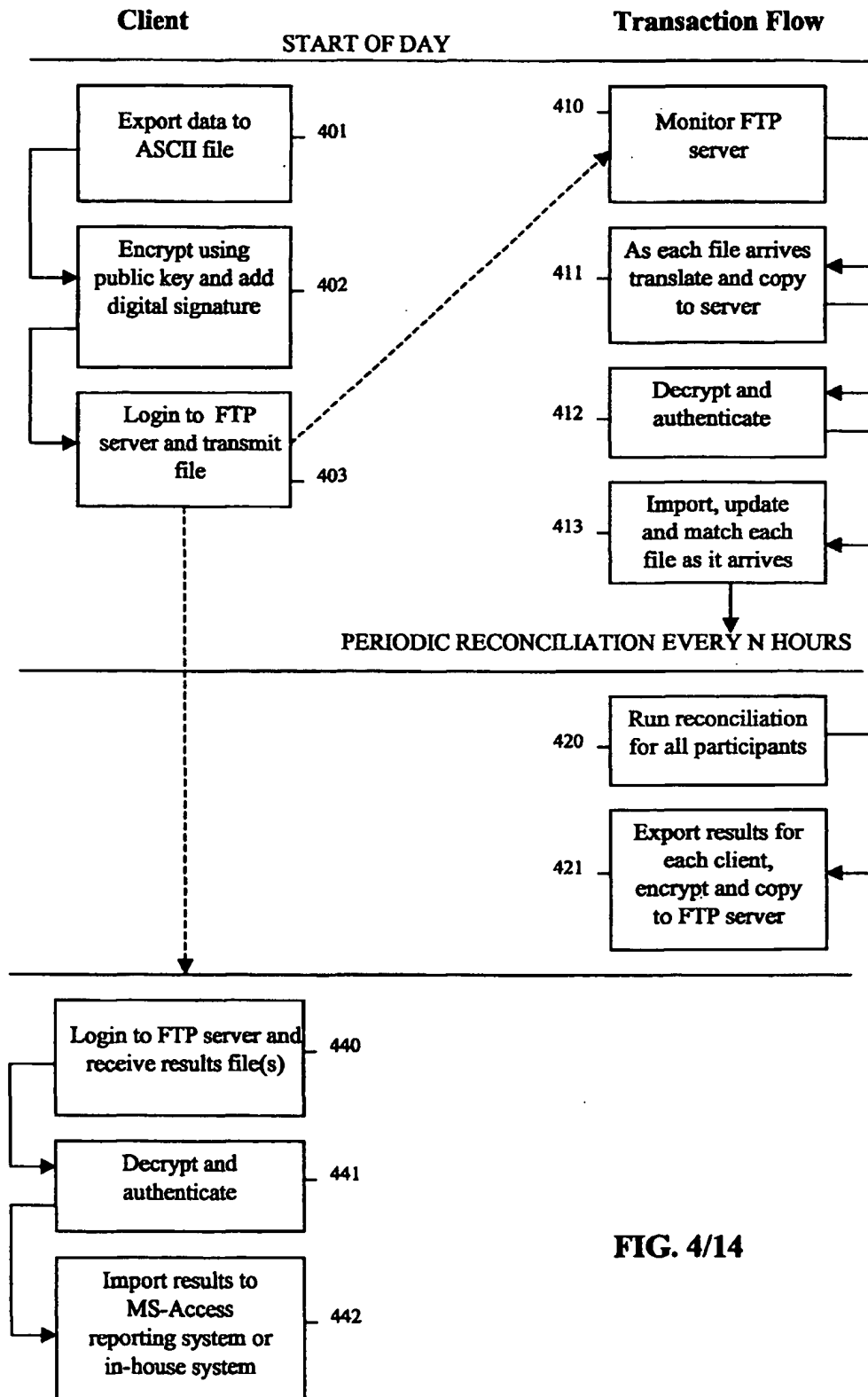


FIG. 4/14

**Exposure Summary Report for Bank No. 1**

Bank No. 2
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Matched	OURS	-21,590,096.77
---------	------	----------------

Unmatched	OURS	42,804,687.18
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**Total**

21,214,590.41

Matched	THEIRS	24,548,818.00
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Unmatched	THEIRS	-65,830,582.00
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**Total**

-41,281,764.00

**NET**

-20,067,173.59

Bank No. 3
------------

Matched	OURS	28,698,177.31
---------	------	---------------

Unmatched	OURS	20,611,853.19
-----------	------	---------------

**Total**

49,310,030.50

Matched	THEIRS	-35,761,533.08
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Unmatched	THEIRS	-4,059,325.65
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**Total**

-39,820,858.73

**NET**

9,489,171.77

**FIG. 5/14**

## Data Table for Matched Financial Transactions

Bank Name: Bank No. 1										Counterparty Name: Bank No. 2																	
CP	TransactID	Product	PayNotional	Cur	Trade Date	Start Date	Maturity	Settlement	B/S	MTM	MTMdate	Recon	Level	CP	TransactID	Product	PayNotional	Cur	Trade Date	Start Date	Maturity	Settlement	B/S	MTM	MTMdate	Recon	Level
BANK1	039174024	OTHER	100,000,000	DKK	23-Jun-93	23-Jun-93	23-Jun-98	23-Jun-98		-406,031.58	07-Jul-97	Matched	level3	BANK2	039174024	OTHER	100,000,000	DKK	23-Jun-93	23-Jun-93	23-Jun-98	23-Jun-98		-406,031.58	07-Jul-97	Matched	level3
BANK1	039174025	OTHER	100,000,000	DKK	23-Jun-93	23-Jun-93	23-Jun-98	23-Jun-98		1,132,865.00	07-Jul-97	No. 4411	level3	BANK2	039174025	OTHER	100,000,000	DKK	23-Jun-93	23-Jun-93	23-Jun-98	23-Jun-98		1,132,865.00	07-Jul-97	No. 4411	level3
BANK1	039174026	OTHER	25,000,000,000	DKK	15-Oct-93	15-Oct-93	15-Oct-100	15-Oct-100		1,452,344.27	07-Jul-97	No. 4412	level3	BANK2	039174026	OTHER	25,000,000,000	DKK	15-Oct-93	15-Oct-93	15-Oct-100	15-Oct-100		1,452,344.27	07-Jul-97	No. 4412	level3
BANK1	0394012003	OTHER	750,000,000	DKK	15-Oct-93	15-Oct-94	13-Jun-99	13-Jun-99		-1,347,884.00	07-Jul-97	No. 4413	level3	BANK2	0394012003	OTHER	750,000,000	DKK	15-Oct-93	15-Oct-94	13-Jun-99	13-Jun-99		-1,347,884.00	07-Jul-97	No. 4413	level3
BANK1	0394020075	OTHER	750,000,000	DKK	12-Jun-94	12-Jun-94	15-Jun-99	15-Jun-99		-4,891,807.00	07-Jul-97	No. 4414	level3	BANK2	0394020075	OTHER	750,000,000	DKK	12-Jun-94	12-Jun-94	15-Jun-99	15-Jun-99		-4,891,807.00	07-Jul-97	No. 4414	level3
BANK1	0394020076	OTHER	100,000,000	DKK	03-Feb-94	03-Feb-94	04-Feb-98	04-Feb-98		440,711.00	07-Jul-97	No. 4415	level3	BANK2	0394020076	OTHER	100,000,000	DKK	03-Feb-94	03-Feb-94	04-Feb-98	04-Feb-98		440,711.00	07-Jul-97	No. 4415	level3
BANK1	0394020081	OTHER	100,000,000	DKK	03-Feb-94	03-Feb-94	10-Feb-94	10-Feb-94		-3,779,613.00	07-Jul-97	No. 4416	level3	BANK2	0394020081	OTHER	100,000,000	DKK	03-Feb-94	03-Feb-94	10-Feb-94	10-Feb-94		-3,779,613.00	07-Jul-97	No. 4416	level3
BANK1	0394020082	OTHER	100,000,000	DKK	08-Feb-94	08-Feb-94	10-Feb-94	10-Feb-94		-257,600.58	07-Jul-97	No. 4417	level3	BANK2	0394020082	OTHER	100,000,000	DKK	08-Feb-94	08-Feb-94	10-Feb-94	10-Feb-94		-257,600.58	07-Jul-97	No. 4417	level3
BANK1	0394011023	OTHER	30,000,000,000	DKK	10-Feb-94	10-Feb-94	17-Jun-99	17-Jun-99		3,091,430.00	07-Jul-97	No. 4418	level3	BANK2	0394011023	OTHER	30,000,000,000	DKK	10-Feb-94	10-Feb-94	17-Jun-99	17-Jun-99		3,091,430.00	07-Jul-97	No. 4418	level3
BANK1	0394016029	OTHER	250,000,000	DKK	15-Jun-94	15-Jun-94	20-Jul-99	20-Jul-99		2,000,254.83	07-Jul-97	No. 4419	level3	BANK2	0394016029	OTHER	250,000,000	DKK	15-Jun-94	15-Jun-94	20-Jul-99	20-Jul-99		2,000,254.83	07-Jul-97	No. 4419	level3
BANK1	0394020007	OTHER	100,000,000	DKK	19-Jul-94	19-Jul-94	20-Jul-99	20-Jul-99		-3,009,451.00	07-Jul-97	No. 4420	level3	BANK2	0394020007	OTHER	100,000,000	DKK	19-Jul-94	19-Jul-94	20-Jul-99	20-Jul-99		-3,009,451.00	07-Jul-97	No. 4420	level3
BANK1	0394022206	OTHER	100,000,000	DKK	10-Aug-94	10-Aug-94	11-Aug-98	11-Aug-98		1,655,686.43	07-Jul-97	No. 4421	level3	BANK2	0394022206	OTHER	100,000,000	DKK	10-Aug-94	10-Aug-94	11-Aug-98	11-Aug-98		1,655,686.43	07-Jul-97	No. 4421	level3
BANK1	03940245036	OTHER	100,000,000	DKK	02-Sep-94	02-Sep-94	07-Sep-98	07-Sep-98		1,741,300.23	07-Jul-97	No. 4422	level3	BANK2	03940245036	OTHER	100,000,000	DKK	02-Sep-94	02-Sep-94	07-Sep-98	07-Sep-98		1,741,300.23	07-Jul-97	No. 4422	level3
BANK1	03940311149	OTHER	100,000,000	DKK	02-Sep-94	02-Sep-94	07-Sep-98	07-Sep-98		1,741,118.00	07-Jul-97	No. 4423	level3	BANK2	03940311149	OTHER	100,000,000	DKK	02-Sep-94	02-Sep-94	07-Sep-98	07-Sep-98		1,741,118.00	07-Jul-97	No. 4423	level3
BANK1	0394249101	OTHER	300,000,000	DKK	06-Sep-94	06-Sep-94	08-Sep-97	08-Sep-97		3,307,560.14	07-Jul-97	No. 4424	level3	BANK2	0394249101	OTHER	300,000,000	DKK	06-Sep-94	06-Sep-94	08-Sep-97	08-Sep-97		3,307,560.14	07-Jul-97	No. 4424	level3
BANK1	03940312468	OTHER	500,000,000	DKK	06-Sep-94	06-Sep-94	08-Sep-97	08-Sep-97		-3,336,993.00	07-Jul-97	No. 4425	level3	BANK2	03940312468	OTHER	500,000,000	DKK	06-Sep-94	06-Sep-94	08-Sep-97	08-Sep-97		-3,336,993.00	07-Jul-97	No. 4425	level3
BANK1	03940359030	OTHER	200,000,000	DKK	16-Sep-94	16-Sep-94	20-Sep-99	20-Sep-99		-4,979,641.58	07-Jul-97	No. 4426	level3	BANK2	03940359030	OTHER	200,000,000	DKK	16-Sep-94	16-Sep-94	20-Sep-99	20-Sep-99		-4,979,641.58	07-Jul-97	No. 4426	level3
BANK1	03940315578	OTHER	200,000,000	DKK	16-Sep-94	16-Sep-94	09-Sep-97	09-Sep-97		4,934,722.00	07-Jul-97	No. 4427	level3	BANK2	03940315578	OTHER	200,000,000	DKK	16-Sep-94	16-Sep-94	09-Sep-97	09-Sep-97		4,934,722.00	07-Jul-97	No. 4427	level3
BANK1	03940300029	OTHER	150,000,000	DKK	07-Sep-94	07-Sep-94	09-Sep-97	09-Sep-97		2,004,771.94	07-Jul-97	No. 4428	level3	BANK2	03940300029	OTHER	150,000,000	DKK	07-Sep-94	07-Sep-94	09-Sep-97	09-Sep-97		2,004,771.94	07-Jul-97	No. 4428	level3
BANK1	03940200531	OTHER	150,000,000	DKK	07-Sep-94	07-Sep-94	09-Sep-97	09-Sep-97		-1,945,031.00	07-Jul-97	No. 4429	level3	BANK2	03940200531	OTHER	150,000,000	DKK	07-Sep-94	07-Sep-94	09-Sep-97	09-Sep-97		-1,945,031.00	07-Jul-97	No. 4429	level3

FIG. 6A/14

# Data Table for Matched Financial Transactions

Bank Name: Bank No. 1										Counterparty Name: Bank No. 2						
CP	TransactionID	Product	PrvNotional	Cur	ReeNotional	Cur	Trade Date	Start Date	Maturity	Settlement	B/S	MTM	MTMdate	Reason	Level	
BANK1	Z75918	OTHER	-150,000,000	CHF	150,000,000	CHF	04-Oct-96	04-Oct-96	07-Oct-99	07-Oct-99		-1,631,096.48	07-Jul-97	Matching	level3	
BANK2	167177	OTHER	150,000,000	CHF	150,000,000	CHF	04-Oct-96	04-Oct-96	07-Oct-99	07-Oct-99		1,541,463.00	07-Jul-97	No. 4515	level3	
BANK1	Z76373	OTHER	200,000,000	DEM	0	DEM	01-Mar-95	04-Sep-95	03-Mar-98	03-Mar-98		0.00	07-Jul-97	No. 4516	level3	
BANK2	LNCJ7166496	OTHER	4,000,000,000	JPY	8,000,000,000	JPY	01-Mar-95	04-Sep-95	03-Mar-98	03-Mar-98		-4,003.00	07-Jul-97	No. 4517	level3	
BANK1	ZC019940706	OTHER	8,000,000,000	JPY	8,000,000,000	JPY	06-Jul-94	08-Jul-94	08-Jul-98	08-Jul-98		-3,526,610.03	07-Jul-97	No. 4517	level3	
BANK2	TKSW0131632	OTHER	3,000,000,000	JPY	3,000,000,000	JPY	06-Jul-94	08-Jul-94	08-Jul-98	08-Jul-98		3,446,613.00	07-Jul-97	No. 4517	level3	
BANK1	ZC019950413	OTHER	3,000,000,000	JPY	3,000,000,000	JPY	12-Apr-95	18-Apr-95	19-Apr-99	19-Apr-99		-279,932.20	07-Jul-97	No. 4518	level3	
BANK2	TKSW017253	OTHER	3,000,000,000	JPY	3,000,000,000	JPY	12-Apr-95	18-Apr-95	19-Apr-99	19-Apr-99		918,014.00	07-Jul-97	No. 4518	level3	
BANK1	ZC019950417	OTHER	3,000,000,000	JPY	3,000,000,000	JPY	11-Apr-95	13-Apr-95	14-Apr-98	14-Apr-98		-460,590.41	07-Jul-97	No. 4519	level3	
BANK2	TKSW017222	OTHER	3,000,000,000	JPY	3,000,000,000	JPY	11-Apr-95	13-Apr-95	14-Apr-98	14-Apr-98		445,550.00	07-Jul-97	No. 4519	level3	
BANK1	ZC019960728	OTHER	4,000,000,000	JPY	4,000,000,000	JPY	29-Mar-96	02-Apr-96	02-Apr-03	02-Apr-03		-2,149,647.90	07-Jul-97	No. 4520	level3	
BANK2	TKSW025931	OTHER	4,000,000,000	JPY	4,000,000,000	JPY	29-Mar-96	02-Apr-96	02-Apr-03	02-Apr-03		1,878,968.00	07-Jul-97	No. 4520	level3	
Number of Records: 210															Sum of MTM = 3589731.23	

FIG. 6B/14

## Data Table for Matched Financial Transactions

Matched Trades				Bank Name: Bank No. 1				Counterparty Name: Bank No. 3							
CP	TransactionID	Product	PayNotional	Cur	ReceNotional	Cur	Trade Date	Settle Date	Maturity	Settlement	B/S	MTM	MTMdate	Recon Matchno	Level
BANK1	135200002	OTHER	20,000,000	DEM	20,000,000	DEM	27-Oct-98	31-Oct-98	30-Oct-98	30-Oct-98	B	-1,112,000.00	07-Jul-97	No. 4281	level
BANK3	1723100	OTHER	20,000,000	DEM	20,000,000	DEM	08-Nov-91	02-Jul-90	05-Jul-00	05-Jul-00	B	-1,111,541.00	07-Jul-97	No. 4281	level
BANK1	136113004	OTHER	15,000,000	DEM	15,000,000	DEM	02-Jul-90	04-Jul-90	05-Jul-00	05-Jul-00	B	-1,405,841.00	07-Jul-97	No. 4282	level
BANK3	1711800	OTHER	15,000,000	DEM	15,000,000	DEM	02-Jul-90	04-Jul-90	05-Jul-00	05-Jul-00	B	-1,404,819.30	07-Jul-97	No. 4282	level
BANK1	136202006	OTHER	10,000,000	CHF	10,000,000	CHF	23-Jan-92	24-Jan-92	26-Jan-98	26-Jan-98	S	352,598.10	07-Jul-97	No. 4283	level
BANK3	5209100	OTHER	10,000,000	CHF	10,000,000	CHF	22-Jan-92	24-Jan-92	24-Jan-98	24-Jan-98	S	-344,803.47	07-Jul-97	No. 4283	level
BANK1	372204011	OTHER	20,000,000	USD	20,000,000	USD	22-Jul-92	24-Jul-92	24-Jul-97	24-Jul-97	S	89,463.38	07-Jul-97	No. 4284	level
BANK3	417400	OTHER	20,000,000	USD	20,000,000	USD	22-Jul-92	24-Jul-92	24-Jul-97	24-Jul-97	S	-89,718.82	07-Jul-97	No. 4284	level
BANK1	372266014	OTHER	2,000,000	GBP	2,000,000	GBP	25-Sep-92	25-Sep-92	27-Sep-99	27-Sep-99	S	311,128.40	07-Jul-97	No. 4285	level
BANK3	7831000	OTHER	2,000,000	GBP	2,000,000	GBP	25-Sep-92	25-Sep-92	25-Sep-99	25-Sep-99	S	-328,909.41	07-Jul-97	No. 4285	level
BANK1	393011022	OTHER	50,000,000,000	ITL	50,000,000,000	ITL	11-Jan-93	13-Jan-93	13-Jan-98	13-Jan-98	S	1,564,990.00	07-Jul-97	No. 4286	level
BANK3	4742600	OTHER	50,000,000,000	ITL	50,000,000,000	ITL	11-Jan-93	13-Jan-93	13-Jan-98	13-Jan-98	S	-1,572,849.50	07-Jul-97	No. 4286	level
BANK1	393025002	OTHER	10,000,000	CHF	10,000,000	CHF	25-Jan-93	27-Jan-93	27-Nov-00	27-Nov-00	S	933,720.60	07-Jul-97	No. 4287	level
BANK3	5224300	OTHER	10,000,000	CHF	10,000,000	CHF	14-Feb-94	25-Nov-93	25-Nov-00	25-Nov-00	S	-940,591.77	07-Jul-97	No. 4287	level
BANK1	393118013	OTHER	10,000,000	GBP	10,000,000	GBP	07-Jul-93	07-Jul-93	07-Jul-00	07-Jul-00	S	487,273.50	07-Jul-97	No. 4288	level
BANK3	7813200	OTHER	10,000,000	GBP	10,000,000	GBP	07-Jul-93	07-Jul-93	07-Jul-00	07-Jul-00	S	-338,462.32	07-Jul-97	No. 4288	level
BANK1	393259014	OTHER	20,000,000	GBP	20,000,000	GBP	16-Sep-93	16-Sep-93	18-Sep-00	18-Sep-00	S	-190,391.00	07-Jul-97	No. 4289	level
BANK3	8011300	OTHER	20,000,000	GBP	20,000,000	GBP	16-Sep-93	16-Sep-93	18-Sep-00	18-Sep-00	S	247,527.06	07-Jul-97	No. 4289	level
BANK1	394096004	OTHER	10,000,000	GBP	10,000,000	GBP	06-Apr-94	06-Apr-94	06-Apr-98	06-Apr-98	B	-77,311.30	07-Jul-97	No. 4290	level
BANK3	8166500	OTHER	10,000,000	GBP	10,000,000	GBP	06-Apr-94	06-Apr-94	06-Apr-98	06-Apr-98	B	60,098.29	07-Jul-97	No. 4290	level
BANK1	394194014	OTHER	25,000,000	GBP	25,000,000	GBP	12-Jul-94	12-Jul-94	12-Jul-99	12-Jul-99	B	-1,102,465.00	07-Jul-97	No. 4291	level
BANK3	8242600	OTHER	25,000,000	GBP	25,000,000	GBP	12-Jul-94	12-Jul-94	12-Jul-99	12-Jul-99	B	1,033,633.70	07-Jul-97	No. 4291	level
BANK1	394195002	OTHER	10,000,000	GBP	10,000,000	GBP	14-Jul-94	14-Jul-94	14-Jul-99	14-Jul-99	B	-380,249.00	07-Jul-97	No. 4292	level
BANK3	8244800	OTHER	10,000,000	GBP	10,000,000	GBP	14-Jul-94	14-Jul-94	14-Jul-99	14-Jul-99	B	351,312.71	07-Jul-97	No. 4292	level
BANK1	394313014	OTHER	20,000,000	GBP	20,000,000	GBP	01-Aug-94	01-Aug-94	03-Aug-98	03-Aug-98	B	-698,688.00	07-Jul-97	No. 4293	level
BANK3	8258100	OTHER	20,000,000	GBP	20,000,000	GBP	01-Aug-94	01-Aug-94	03-Aug-98	03-Aug-98	B	655,272.61	07-Jul-97	No. 4293	level

FIG. 6C/14

## Data Table for Matched Financial Transactions

Matched Trades										Counterparty Name: Bank No. 3									
CP	TransactionID	Product	Bank Name: Bank No. 1					Bank No. 1					Bank No. 3					Recon	
			PayNotional	Our	RecNotional	Our	Trade Date	Start Date	Maturity	Settlement	B/S	MTM	MTM	MTM	MTM	MTM	MTM	Match	Level
BANK1	394315054	OTHER	100,000,000	FRF	-100,000,000	FRF	05-Sep-95	06-Sep-95	06-Sep-00	06-Sep-00	B	-2,162,635.00	-2,162,635.00					No. 4405	level2
BANK3	2924200	OTHER	100,000,000	FRF	100,000,000	FRF	16-Jun-94	17-Jun-94	17-Jun-98	10-Dec-97	B	603,872.20	603,872.20					No. 4405	level2
BANK1	394315071	OTHER	20,000,000	GBP	-20,000,000	GBP	10-Dec-92	10-Dec-92	10-Dec-97	10-Dec-97	B	180,899.60	180,899.60					No. 4406	level2
BANK3	1071600	OTHER	20,000,000	GBP	20,000,000	GBP	25-Feb-97	25-Feb-97	25-Feb-03	13-Nov-97	B	-160,615.67	-160,615.67					No. 4406	level2
BANK1	394315074	OTHER	5,000,000	GBP	-5,000,000	GBP	13-Nov-92	13-Nov-92	13-Nov-97	13-Nov-97	B	24,665.45	24,665.45					No. 4407	level2
BANK3	6010900	OTHER	5,000,000	GBP	5,000,000	GBP	16-Sep-93	16-Sep-93	16-Sep-98	29-Aug-97	B	24,895.32	24,895.32					No. 4407	level2
BANK1	271508	OTHER	100,000,000	DEM	-100,000,000	DEM	31-Aug-95	31-Aug-95	02-Sep-05	02-Sep-05	B	21,764,268.00	21,764,268.00					No. 4408	level2
BANK3	T00511764	OTHER	100,000,000	DEM	100,000,000	DEM	29-May-97	29-May-97	12-Mar-98	12-Mar-98	B	231,182.88	231,182.88					No. 4408	level2
BANK1	271520	OTHER	100,000,000	GBP	-100,000,000	GBP	12-Mar-96	12-Mar-96	31-Oct-97	31-Oct-97	B	144,978.00	144,978.00					No. 4409	level2
BANK3	13704201	OTHER	100,000,000	GBP	100,000,000	GBP	30-Apr-97	30-Apr-97	31-Oct-97	31-Oct-97	B	1,584,314.40	1,584,314.40					No. 4409	level2
Number of Records: 196										Sum of MTM = -7963395.7712									

FIG. 6D/14



# Data Table for Unmatched Financial Transactions

Unmatched Trades				Bank Name: Bank No. 1				Counterparty Name: Bank No. 2						
TransactionID	Product	Notional1	Cur1	Notional2	Cur2	Trade Date	Start Date	Maturity	Settlement	B/S	Strike	MTM	Created	Updated
0497168013	OTHER	-300,000,000	CZK	300,000,000	CZK	17-Jun-97	19-Aug-97	19-Nov-97	19-Aug-97		3019	8,332	25-Jul-97	25-Jul-97
0497161017	OTHER	-200,000,000	CZK	200,000,000	CZK	22-May-97	26-Aug-97	26-Nov-97	26-Aug-97		3019	36,193	25-Jul-97	25-Jul-97
0497153004	OTHER	-200,000,000	CZK	200,000,000	CZK	02-Jun-97	04-Jun-98	04-Jun-98	04-Dec-97		3019	41,587	25-Jul-97	25-Jul-97
0497150041	OTHER	-200,000,000	CZK	200,000,000	CZK	22-May-97	26-Aug-97	26-Nov-97	26-Aug-97		3019	39,155	25-Jul-97	25-Jul-97
0497182004	OTHER	-200,000,000	CZK	200,000,000	CZK	07-Jul-97	17-Sep-97	17-Dec-97	17-Sep-97		3019	2,262	25-Jul-97	25-Jul-97
0497182027	OTHER	-200,000,000	CZK	200,000,000	CZK	07-Jul-97	09-Jun-98	09-Apr-98	09-Jun-98		3019	688	25-Jul-97	25-Jul-97
0497157035	OTHER	-200,000,000	CZK	200,000,000	CZK	06-Jun-97	10-Dec-97	10-Jun-98	10-Dec-97		3019	31,595	25-Jul-97	25-Jul-97
0497162004	OTHER	-200,000,000	CZK	200,000,000	CZK	06-Jun-97	11-Aug-97	11-Feb-98	11-Aug-97		3019	-4,240	25-Jul-97	25-Jul-97
0497162004	OTHER	-200,000,000	CZK	200,000,000	CZK	11-Jun-97	15-Sep-97	15-Dec-97	15-Sep-97		3019	8,345	25-Jul-97	25-Jul-97
0497160040	OTHER	100,000,000	CZK	0	CZK	09-Jun-97	24-Jun-97	24-Jun-98	11-Aug-97		3105	1,313	25-Jul-97	25-Jul-97
0497171035	OTHER	100,000,000	CZK	-100,000,000	CZK	20-Jun-97	11-Nov-97	11-Nov-98	11-Aug-97		3011	-2,700	25-Jul-97	25-Jul-97
0497156019	OTHER	200,000,000	CZK	0	CZK	05-Jun-97	09-Sep-97	09-Dec-97	09-Sep-97		3105	-22,544	25-Jul-97	25-Jul-97
0497150040	OTHER	200,000,000	CZK	0	CZK	29-May-97	22-Aug-97	22-Nov-97	22-Aug-97		3105	-21,675	25-Jul-97	25-Jul-97
0497163003	OTHER	200,000,000	CZK	0	CZK	12-Jun-97	16-Sep-97	16-Mar-98	16-Sep-97		3105	-32,883	25-Jul-97	25-Jul-97
0497170005	OTHER	200,000,000	CZK	0	CZK	19-Jun-97	23-Dec-97	23-Jun-98	23-Dec-97		3105	-5,598	25-Jul-97	25-Jul-97
0497171021	OTHER	200,000,000	CZK	-200,000,000	CZK	19-Jun-97	23-Jun-97	23-Jun-98	23-Jun-98		3102	21,237	25-Jul-97	25-Jul-97
0497182006	OTHER	200,000,000	CZK	0	CZK	07-Jul-97	17-Dec-97	18-Mar-98	23-Jun-98		3105	-2,652	25-Jul-97	25-Jul-97
0497182006	OTHER	200,000,000	CZK	0	CZK	02-Jul-97	04-Jul-98	06-Jul-98	23-Jun-98		3105	-372	25-Jul-97	25-Jul-97
0497182006	OTHER	200,000,000	CZK	-300,000,000	CZK	24-Jun-97	26-Sep-97	28-Dec-97	26-Sep-97		3105	555	25-Jul-97	25-Jul-97
0497182001	OTHER	200,000,000	CZK	0	CZK	01-Jul-97	03-Oct-97	05-Jan-98	03-Oct-97		3105	-4,864	25-Jul-97	25-Jul-97
0497175009	OTHER	200,000,000	CZK	0	CZK	26-Jun-97	31-Dec-97	30-Jun-98	31-Dec-97		3105	6,630	25-Jul-97	25-Jul-97
0497160006	OTHER	200,000,000	CZK	-500,000,000	CZK	06-Jun-97	10-Jun-97	10-Jun-98	10-Jun-98		3012	3,918	25-Jul-97	25-Jul-97
0497156008	OTHER	200,000,000	CZK	0	CZK	06-Jun-97	09-Sep-97	09-Dec-97	09-Sep-97		3105	79,987	25-Jul-97	25-Jul-97
0497156008	OTHER	200,000,000	CZK	0	CZK	06-Jun-97	09-Sep-97	09-Dec-97	09-Sep-97		3105	-51,989	25-Jul-97	25-Jul-97
271083	OTHER	-100,000,000	DEM	100,000,000	DEM	07-Aug-95	07-Aug-95	11-Aug-95	07-Aug-98		3146	-2,199	25-Jul-97	25-Jul-97
0396347050	OTHER	-25,000,000	DEM	25,000,000	DEM	23-Jun-95	23-Jun-95	27-Jun-95	23-Jun-95		3146	-47,759	25-Jul-97	25-Jul-97
	OTHER	8,000,000	DEM	-8,000,000	DEM	16-Dec-96	16-Dec-96	15-Oct-97	16-Dec-99		3011	824,938	25-Jul-97	25-Jul-97

FIG. 7/14

# Data Table for Expired Financial Transactions

Expired Trades			Bank Name: Bank No. 1				Counterparty Name: Bank No. 2				24-Jul-97			
TransactionID	Product	Notional.1	Curr1	Notional.2	Curr2	Trade Date	Start Date	Maturity	Settlement	B/S	Strike	MTM	Created	Updated
92837	OTHER	-50,000,000	USD	0	USD	16-Jul-92	23-Jul-93	23-Jul-97	23-Jul-97	0	0	0	24-Jul-97	24-Jul-97
E36059	OTHER	51,812,500	USD	51,812,500	USD	16-Apr-96	16-Apr-96	11-Jul-97	11-Jul-97	0	0	32,824,472	24-Jul-97	24-Jul-97
6397100019	OTHER	500,000,000	USD	-500,000,000	USD	10-Apr-97	14-Apr-97	14-Jul-97	14-Jul-97	3012	3012	-5,075,231	24-Jul-97	24-Jul-97
Number of Records: 3										Total MTM =		27749240.43		
395177060	OTHER	100,000,000	DKK	-100,000,000	DKK	23-Jun-95	23-Jun-95	23-Jun-97	23-Jun-97	0	0	-824,012	24-Jul-97	24-Jul-97
396191040	OTHER	1,000,000,000	ESP	-1,000,000,000	ESP	09-Jul-96	11-Jul-96	11-Jul-97	11-Jul-97	0	0	401,965	24-Jul-97	24-Jul-97
396173034	OTHER	1,800,000,000	ESP	-1,800,000,000	ESP	23-Jun-96	25-Jun-96	25-Jun-97	25-Jun-97	0	0	723,919	24-Jul-97	24-Jul-97
Number of Records: 3										Total MTM =		301871.7		

FIG. 8/14

### Import Errors Bank No. 2

BANK2	c:/derivs/imports/bank2.tab	AT LINE:	135
No data for required field Field [deal req] value []			
NY5006-9987500-USD-25/02/97-25/08/97-0-0			
BANK2	c:/derivs/imports/bank2.tab	AT LINE:	109
No data for required field Field [deal req] value []			
N0000282780-100000000-USD-08/09/93-10/09/97-0-0			
BANK2	c:/derivs/imports/bank2.tab	AT LINE:	107
No data for required field Field [deal req] value []			
N0000205090-50000000-USD-21/07/92-23/07/97-0-0			
BANK2	c:/derivs/imports/bank2.tab	AT LINE:	104
No data for required field Field [deal req] value []			
N0000069866-40000000-USD-18/04/91-17/12/97-0-0			
BANK2	c:/derivs/imports/bank2.tab	AT LINE:	103
No data for required field Field [deal req] value []			
N0000069857-17000000-USD-18/04/91-17/12/97-0-0			
BANK2	c:/derivs/imports/bank2.tab	AT LINE:	16
No data for required field Field [deal req] value []			
LNCF186496-200000000-DEM-01/03/95-03/03/98-0-0			
BANK2	c:/derivs/imports/bank2.tab	AT LINE:	13
No data for required field Field [deal req] value []			
L000013233-25000000-GBP-04/11/94-04/11/97-0-0			
BANK2	c:/derivs/imports/bank2.tab	AT LINE:	12
No data for required field Field [notional 1] value []			
FRA-USD-CITI-0-USD-18/12/96-18/12/99-196933-0-0			
BANK2	c:/derivs/imports/bank2.tab	AT LINE:	11
No data for required field Field [notional 1] value []			
COM010082-0-USD-06/06/97-06/06/00-144019-0			

FIG. 9/14

**International Swap Dealer Association (ISDA) Agreement Matrix**

	Products	XMARUS30AA1	MGTCUS33XXX	TSCOGB22AA1
XMARUS30AA1	IRS, XCY	XX	ISDA87	ISDA92
		XX	19880621	19930101
		XX	A	A
	FRA	XX	BBAIR	
		XX	19871201	
		XX	A	
MGTCUS33XXX		ISDA87	XX	ISDA92
		19880621	XX	19960505
		B	XX	A
		BBAIR	XX	BBAIR
		19871201	XX	19871201
		A	XX	A
TSCOGB22AA1		ISDA92	ISDA92	XX
		19930101	19950101	XX
		B	B	XX

**FIG. 10/14**

## Sample Input Data Files – Three (3) Types of Input Format

## Tab delimited – BANKIE

GB600	8900001464		41172	BANK3		1494313022EQ INDEX OPTIONS	3359
	B	GBP		09/11/94	09/11/99	19400000	
	319576188905499		38805817574	14723073	0 92		
GB600	8900001464		41172	BANK3		1497135190EQ INDEX OPTIONS	3386
	S	ITL		15/05/97	20/06/97	-17603500000	
	104163960		17603.5	0	0	0	
GB600	8900001464		41172	BANK3		1497170392EQ INDEX OPTIONS	3387
	B	ITL		19/06/97	18/07/97	19866000000	
	11755169264581.8	19866	822861.9	10874440.48			
GB600	8900001464		8002725754	BANK3		LONDON (SWAP)	389300002
	SWAP SING		3012	DEM		DEM 27/10/89	30/10/89 31/10/89 30/10/98
	20000000-2000000011594203-1112029			142920.2	0		
GB600	8900001464		8002725754	BANK3		LONDON (SWAP)	390183004
	SWAP SING		3012	DEM		DEM 02/07/90	05/07/00 05/07/90 05/07/00
	15000000-150000008695652 -1806968			281333.4	0		
GB600	8900001464		8002725754	BANK3		LONDON (SWAP)	392022006
	SWAP SING		3011	CHF		CHF 22/01/92	26/01/98 24/01/92 26/01/98
	10000000-100000006959911	352298.1		32191.75	384489.8		

## Fix Format – BANKIN

1195SW12	0393174024	EUROP		NY BANK2	COMPANY	CTS	0100042228
0000616303	BANK2COMPANY – N	EUROP	8000886971	0000616303	SWPSC3012		
DKK DKK	100000000.00		-100000000.00	14997226.00	-406435.58	07-JUL-97	06/23/1993 06/23/1993
06/23/1998	06/23/1998						
1195SW12	0393288023	EUROP		NY BANK2	COMPANY	CTS	0100042228
0000616303	BANK2COMPANY LO	EUROP	8000803804	0000616303	SWPSC3011		
ITL ITL	2500000000.00		-2500000000.00	14651930.54	1485344.27	07/JUL-97	10/15/1993 10/19/1993
10/19/2000	10/19/2000						
1195SW12	0394012035	EUROP		NY BANK2	COMPANY	CTS	0100042228
0000616303	BANK2COMPANY LO	EUROP	8000803804	0000616303	SWPSC3011		
FRF FRF	750000000.00		-750000000.00	127026066.18	4997872.96	07-JUL-97	01/12/1994 01/13/1994
01/13/1999	01/13/1999						
1195SW12	0394034032	EUROP		NY BANK2	COMPANY	CTS	0100042228
0000616303	BANK2COMPANY – N	EUROP	8000886971	0000616303	SWPSC3012		
FRF FRF	100000000.00		-100000000.00	16936808.82	-441474.27	07-JUL-97	02/03/1994 02/04/1994
02/04/1998	02/04/1998						
1195SW12	0394039053	EUROP		NY BANK2	COMPANY	CTS	0100042228
0000616303	BANK2COMPANY LO	EUROP	8000803804	0000616303	SWPSC3011		
DEM DEM	100000000.00		-100000000.00	0057110220.19	4583895.29	07-JUL-97	02/08/1994 02/10/1994
02/10/1999	02/10/1999						

## Tab Delimited with headings – BANK2

Transaction ID	Notional	Ccy	Transaction Date	Maturity Date	DEAL REQ	INITIAL REQ
44513	10000000000	JPY	14/11/95	15/11/99	212820	0
44514	10000000000	JPY	14/11/95	15/11/99	5059420	0
18163	1000000000	CHF	02/10/96	06/10/99	1430964	0
186644	25000000	DEM	23/06/95	23/06/00	67183	0
186704	1000000000	DEM	07/08/95	07/08/99	3153	0
187152	1000000000	DEM	23/09/96	13/02/98	-4155335	0
187171	1000000000	CHF	03/10/96	07/10/99	1294263	0
187177	150000000	CHF	04/10/96	07/10/99	1541463	0
187194	2000000000	CHF	15/10/96	15/10/97	2248009	0
COM010082	0	USD	06/06/97	06/06/00	1444019	0
FRA-USD-CIT1	0	USD	18/12/96	18/12/99	196933	0
L000013233	25000000	GBP	04/11/94	04/11/97	0	0
L000044507	50000000000	JPY	13/06/96	17/12/99	-77367	0
L000187481	500000000000	ITL	31/05/96	04/06/99	-6035	0
LNCFI86496	200000000	DEM	01/03/95	03/03/98	0	0
LNSW0035313	150000000	SEK	07/09/94	09/09/97	-1994031	0
LNSW016798	500000000	DEM	27/05/92	15/07/97	-1982180	0
LNSW016863	500000000	DEM	27/05/92	15/07/02	-3351200	0
LNSW023285	100000000	DKK	23/06/93	23/06/98	1132865	0
LNSW026045	25000000000	ITL	15/10/93	19/10/00	-1345684	0
LNSW028079	750000000	FRF	12/01/94	13/01/99	-4898807	0
LNSW028815	100000000	FRF	03/02/94	04/02/98	440713	0
LNSW028953	100000000	DEM	08/02/94	10/02/04	-3779613	0
LNSW029037	50000000000	ITL	10/02/94	14/02/98	227029	0
LNSW032838	250000000	SEK	15/06/94	17/06/99	3091420	0

FIG. 11/14

## FILE IMPORT SPECIFICATION

Bank	Bank No. 1	Specification BANK1E				c:/derives/imports/bank1e.txt		
Input Field	Type	Format	Re'qd.	Position	Length	Map Table	Output Field	Default
BIC	fixed		Yes	0	0		BIC	BANK1
client class	text		No	1	0			
counterparty	text		Yes	2	0	MapCP	cpBIC	
counterparty	text		Yes	2	0		inputCP	
account id	text		No	3	0			
account id nam	text		No	4	0			
transaction id	text		Yes	5	0		transaction id	
InputProduct	text		Yes	6	0		InputProduct	
transaction type	text		Yes	6	0	MapProduct	Product	
product code	number		No	7	0			
buy sell ind	text		No	8	0		Buy Sell	
ccyl	text		Yes	9	0		PayCcy	
ccy2	text		Yes	10	0		RecCcy	[Ccy1]
trade date	date	dd/mm/yy	Yes	11	0		trade date	
settle date	date	dd/mm/yy	Yes	12	0		settle date	
start date	date	dd/mm/yy	Yes	13	0		start date	[trade dat
maturity date	date	dd/mm/yy	Yes	14	0		maturity date	
security id	text		No	15	0			
notional1	number		Yes	16	0		PayNotional	
notional2	number		Yes	17	0		RecNotional	[notional1]
notional	number		No	18	0			
mark to market	number		Yes	19	0		MTM	
Strike Prices	number		No	20	0		Strike Price	

FIG. 12A/14

# FILE IMPORT SPECIFICATION

Bank	Bank No. 1	Specification BANK1N				c:/derives/imports/bank1n.txt		
Input Field	Type	Format	Re'qd.	Position	Length	Map Table	Output Field	Default
BIC	fixed		Yes	0	0		BIC	BANK1
transaction id	text		Yes	18	16		transaction_id	
ParentTransactio	text		No	60	16		ParentID	
inputCP	text		Yes	181	10	MapCP	cpBIC	
inputCP	text		Yes	181	10		inputCP	
InputProduct	text		Yes	191	16	MapProduct	Product	
InputProduct	text		Yes	191	16		InputProduct	
Buy/Sell	text		No	202	1		Buy Sell	
call put	text		No	204	1		call put	
Strike Price	number		No	207	20		Strike Price	
ccy1	text		Yes	243	3		Payccy	
ccy2	text		Yes	247	3		Recccy	[ccy1]
notional1	number		Yes	256	20		PayNotional	
notional2	number		Yes	276	20		RecNotional	
notionalUSD	number		No	296	19		NotionalBase	
MTM	number		Yes	315	20		MTM	
MTMdate	date	dd/mm/yy	Yes	335	10		MTMdate	
trade date	date	mm/dd/yyyy	Yes	345	11		trade_date	
start date	date	mm/dd/yyyy	No	357	11		start_date	
maturity date	date	mm/dd/yyyy	Yes	369	12		maturity_date	
settlement date	date	mm/dd/yyyy	Yes	381	11		settle_date	

FIG. 12B/14

**FILE IMPORT SPECIFICATION**

Bank	Bank No. 2	Specification BANK2				c:/derives/imports/bank2.tab		
Input Field	Type	Format	Re'qd.	Position	Length	Map Table	Output Field	Default
cpBIC	fixed		No	0	0		cpBIC	BANK1
Product	fixed		No	0	0		Product	OTHER
BIC	fixed		No	0	0		BIC	BANK2
transaction_id	text		Yes	1	0		transaction_id	
notional1	number		Yes	2	0		Paynotional	
ccyl	text		Yes	3	0		Payccy	
transaction date	date	dd/mm/yy	Yes	4	0		trade_date	
maturity date	date	dd/mm/yy	Yes	5	0		maturity_date	
deal req	number		Yes	6	0		MTM	

**FIG. 12C/14**



## FILE IMPORT SPECIFICATION

Bank	Bank No. 3	Specification BANK3				c:/derives/imports/bank3.txt		
Input Field	Type	Format	Re'qd.	Position	Length	Map Table	Output Field	Default
buysell	fixed		Yes	0	0		buy_sell	
cpBIC	fixed		Yes	0	0		cpBIC	BANK1
BIC	fixed		Yes	0	0		BIC	BANK3
src_system_id	text		No	1	0			
book_id	text		No	2	0			
trade_id	text		Yes	3	0		transaction_id	
ticket_id	text		No	4	0			
ins_type	text		Yes	5	0	MapProduct	Product	
ins_type	text		Yes	5	0		inputProduct	
rec_notional	number		Yes	7	0		Paynotional	
rec_notional_ccy	text		Yes	13	0		PayCcy	
trade_date	date	dd/mm/yy	Yes	14	0		trade_date	
maturity_date	date	dd/mm/yy	Yes	15	0		maturity_date	
business_date	date	dd/mm/yy	Yes	16	0		MTMdate	
base_mtm	number		No	17	0		MTM	
other_ccy	text		Yes	30	0		Recccy	[rec_notio
other_notional	number		Yes	31	0		RecNotional	[rec_notio
put_call	text		No	34	0	MapCodes	call_put	
buy_sell	text		No	35	0	MapCodes	buy_sell	
effective_date	date	dd/mm/yy	No	37	0		start_date	

**FIG. 12D/14**

## Matching Criteria

## Level external

Order	Field1	Field2	Type	Tolerance	Ttype	Special	Value1	Value2
1	BIC	cpBIC	text	0				
2	cpBIC	BIC	text	0				
3	ExternalMatchID	BIC	text	0				

## Level full

Order	Field1	Field2	Type	Tolerance	Ttype	Special	Value1	Value2
1	BIC	cpBIC	text					
2	cpBIC	BIC	text					
3	Product		text					
4	PayCcy		text					
5	RecCcy		text					
6	Paynotional		number					
7	Recnotional		number					
8	maturity date		date	5	d			
9	trade date		date	1	d			
10	buy sell		text	0		A	B	S
11	call put		text	0		B		

## Level level1

Order	Field1	Field2	Type	Tolerance	Ttype	Special	Value1	Value2
1	BIC	cpBIC	text					
2	cpBIC	BIC	text					
3	Product		text					
4	PayCcy		text					
5	RecCcy		text					
6	PayNotional		number					
7	RecNotional		number					
8	maturity date		date	5	d			

## Level level2

Order	Field1	Field2	Type	Tolerance	Ttype	Special	Value1	Value2
1	BIC	cpBIC	text					
2	cpBIC	BIC	text					
3	Product		text					
4	PayCcy		text					
5	RecCcy		text					
6	PayNotional		number					
7	RecNotional		number					

## Level level3

Order	Field1	Field2	Type	Tolerance	Ttype	Special	Value1	Value2
1	BIC	cpBIC	text	0				
2	cpBIC	BIC	text	0				
3	Product		text	0				
4	PayCcy		text	0				
5	PayNotional		number	0				
6	trade date		date	0				
7	maturity date		date	10	d			

FIG. 13/14

## Tables of Data Fields

Trades Tables

Name	Type	Length
ImportCode	Text	10
BIC	Text	12
cpBIC	Text	12
InputCP	Text	50
parentID	Text	15
transaction id	Text	20
cp_transaction id	Text	20
Product	Text	8
InputProduct	Text	25
PayCcy	Text	5
PayNotional	Number	8
RecCcy	Text	5
RecNotional	Number	8
NotionalBase	Number	8
trade_date	Date/Time	8
Start_Date	Date/Time	8
Maturity_Date	Date/Time	8
settle_date	Date/Time	8
Call Put	Text	5
Buy Sell	Text	5
Strike Price	Number	8
MatchCode	Text	15
Matchnumber	Number (Long)	4
ManualMatch	Yes/No	2
ExternalMatchId	Text	25
ManualLink	Number (Long)	4
MTM	Number	8
MTMdate	Date/Time	8
reconflag	Yes/No	1
%diff	Number	8
absdiff	Number	8
status	Number	2
created	Date/Time	8
last_updated	Date/Time	8

FIG. 14A/14

## Tables of Data Fields

## Import Specifications

Name	Type	Length
ImportFileSpecs		
ImportCode	Text	10
BIC	Text	10
Description	Text	50
filepath	Text	50
type	Text	10
delimiter	Text	2
skiprecs	Number (Integer)	2
eof	Text	50
outputtype	Text	5
table	Text	50
Active	Yes/No	1

Name	Type	Length
ImportFieldSpecs		
Importcode	Text	10
ifield	Text	50
itype	Text	10
iformat	Text	25
irequired	Yes/No	1
ikey	Yes/No	1
ikeyno	Number (Integer)	2
ikeyid	Text	10
ifieldpos	Number (Integer)	2
ifielden	Number (Integer)	2
imaptable	Text	75
ofield	Text	50
oformat	Text	50
defaultvalue	Text	50
comments	Text	255

## Map Tables

Name	Type	Length
MapCP		
Importcode	Text	10
inputvalue	Text	50
outputvalue	Text	10
MapProduct		
importcode	Text	10
inputvalue	Text	50
outputvalue	Text	10

## Match Criteria

Name	Type	Length
MatchCodes		
MatchCode	Text	25
MatchOrder	Number (Integer)	2
Field1	Text	50
Field2	Text	50
FieldType	Text	10
Tolerance	Number	8
ToIType	Text	10
Special	Text	10
Value1	Text	50
Value2	Text	50

FIG. 14B/14